

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

HOUSE BILL HB1764

By: Blackburn

AS INTRODUCED

An Act relating to credit unions; amending 6 O.S. 1991, Sections 2001.2, as last amended by Section 2, Chapter 77, O.S.L. 2000, 2006, as last amended by Section 1, Chapter 76, O.S.L. 2000, 2010, as last amended by Section 1, Chapter 28, O.S.L. 1999 and 2013, as amended by Section 2, Chapter 28, O.S.L. 1999 (6 O.S. Supp. 2000, Sections 2001.2, 2006, 2010 and 2013), which relate to credit unions; allowing charge on certain credit unions by State Banking Department; expanding jurisdiction; removing certain credit committee provisions; providing for certain duties and powers of board members; providing for appointment and tenure of credit committee; providing for appointment of supervisory committee; requiring approval for certain dividend payments; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 6 O.S. 1991, Section 2001.2, as last amended by Section 2, Chapter 77, O.S.L. 2000 (6 O.S. Supp. 2000, Section 2001.2), is amended to read as follows:

Section 2001.2 A. In addition to any other powers conferred by law, the State Credit Union Board shall have the power to:

1. Regulate its own procedures and practice, except as may be hereafter provided by law;

2. Define any term not defined in Oklahoma Laws relating to credit unions;

3. Adopt and promulgate reasonable and uniform rules and regulations to:

a. govern the conduct, operation and management of credit unions,

- b. govern the examination, evaluation of assets and the statements and reports of credit unions, and the form on which credit unions shall report their assets, liabilities and reserves, charge off their bad debts and otherwise keep their records and accounts, and
- c. govern the administration of the laws of this state relating to credit unions.

Such rules or regulations shall serve to foster and maintain an effective level of credit union services and the security of member accounts. The provisions of the Administrative Procedures Act of this state, as now or hereafter amended, are hereby expressly adopted and incorporated herein as though a part of this provision, and shall apply to all rules or regulations, procedures and orders of the Board. Final orders of the Board may be appealed to the Supreme Court of Oklahoma by any party directly affected and showing aggrievement by the order;

4. Restrict the withdrawal of share or deposit accounts or both from any credit union after having determined that circumstances make such restriction necessary for the proper protection of shareholders or depositors;

5. Issue cease and desist orders after having determined from competent and substantial evidence that a credit union is engaged or has engaged, or when the Board has reasonable cause to believe the credit union is about to engage, in an unsafe or unsound practice, or is violating or has violated or the Board has reasonable cause to believe is about to violate, a material provision of any law, rule, regulation or any condition imposed in writing by the Board or any written agreement made with the Board;

6. Suspend from office and prohibit from further participation in any manner in the conduct of the affairs of a credit union any director, officer or committee member who has committed any violation of a law, rule or regulation or of a cease and desist

order or who has engaged or participated in any unsafe or unsound practice in connection with the credit union or who has committed or engaged in any act, omission, or practice which constitutes a breach of that person's fiduciary duty as such director, officer or committee member, when the Board has determined that such action or actions have resulted or will result in substantial financial loss or other damage that seriously prejudices the interests of the members;

7. Affirm, modify, reverse, and stay the enforcement of any order or ruling of the State Banking Commissioner or Administrator appointed pursuant to the provisions of subsection B of this section relating to credit unions, their directors, officers, committee members or employees;

8. Subpoena witnesses, compel their attendance, require the production of evidence, administer oaths and examine any person under oath in connection with any subject relating to a duty imposed upon or a power vested in the Board; ~~and~~

9. Charge application fees for processing submissions by a credit union to the Board, Commissioner or Administrator. The Board may charge a fee for the items enumerated herein; provided, the Board's fee schedule shall not be limited solely to the following submissions:

- a. an application for a merger or acquisition,
- b. an application to amend a credit union's bylaws,
- c. an application to be heard by the Board to add a special employee group, or
- d. an application to add a special employee group by using any simplified expansion process.

The Board may adopt and promulgate, from time to time, a fee schedule for the processing of submissions by credit unions. Any payments received pursuant to the provisions of this paragraph shall

be deposited to the revolving fund for the State Banking Department created in Section 211.1 of this title; and

10. Charge and collect an assessment from each credit union under its supervision on each One Thousand Dollars (\$1,000.00) of assets, or major fraction thereof, at a rate established by the Board. The assessment shall be paid annually to the State Banking Department no later than the fifth day of February in each year. All assessments shall be deposited in the General Revenue Fund of this state and all fees shall be deposited in the revolving fund for the State Banking Department pursuant to the provisions of Section 211.1 of this title.

B. The Commissioner may appoint an Administrator who, in addition to such duties and authority as are conferred by Section 2001 et seq. of this title, shall have such duties and authority as the Commissioner may assign the Administrator. The bond of the Administrator shall be the same as that set for the State Deputy Banking Commissioner. In addition to other powers conferred by Section 2001 et seq. of this title, the Commissioner shall have the power to:

1. Delegate the duties of the Office of the State Banking Commissioner under Section 2001 et seq. of this title to the Administrator;

2. Exercise general supervision of credit unions organized under the laws of this state;

3. Require credit unions to cease and desist from engaging in any act or transaction, or doing any act in furtherance thereof, which would constitute a violation of the provisions of Section 2001 et seq. of this title, or a lawful regulation issued thereunder, or to cease and desist in engaging in any unsafe or unsound credit union practice;

4. Suspend any officer, director or employee or committee member who is found, after hearing, to be dishonest, reckless, unfit

to participate in the conduct of the affairs of the credit union, or to have engaged or participated in any unsafe or unsound practice in connection with the credit union, or to be practicing a continuing disregard or violation of laws, rules, regulations or orders which are likely to cause substantial loss to the credit union or likely to seriously weaken the condition of the credit union. However, any individual so suspended may within ten (10) days file a notice of protest for the suspension with the Administrator and as soon as possible thereafter, but in no event more than thirty (30) days, the Board will review the order of the Commissioner and make such findings as it deems proper, and pending that, the officer, employee, director or committee member shall not perform any of the duties of such office; and

~~5. Assess credit unions on their assets in an amount set by rule of the Commissioner. The fee and assessment shall be paid in January of each year. All assessments shall be deposited in the General Revenue Fund of this state and all fees shall be deposited in the revolving fund for the State Banking Department pursuant to the provisions of Section 211.1 of this title; and~~

~~6.~~ Charge a fee not to exceed Fifty Dollars (\$50.00) per hour and actual expenses for each examiner for actual time consumed by the State Banking Department in making special examinations of a credit union. A "special examination" shall be any examination conducted in connection with a charter conversion, or a limited scope examination conducted at a frequency more often than once each eighteen (18) months, when deemed necessary by the Administrator and the Commissioner. Payments received pursuant to this paragraph shall be deposited in the revolving fund for the State Banking Department pursuant to Section 211.1 of this title.

C. Upon failure of a credit union to comply with the Commissioner's order or requirements, the Commissioner shall report

such failure to the Board for action with respect to suspension of such credit union's certificate of authority to transact business.

SECTION 2. AMENDATORY 6 O.S. 1991, Section 2006, as last amended by Section 1, Chapter 76, O.S.L. 2000 (6 O.S. Supp. 2000, Section 2006), is amended to read as follows:

Section 2006. A credit union shall have succession in its corporate name during its existence and shall have power:

1. To make contracts;
2. To sue and be sued;
3. To adopt and use a common seal and alter the same at pleasure;
4. To purchase, lease, own, hold, and dispose of any real estate, buildings, fixtures, equipment, furniture and furnishings necessary, incidental and convenient to the operation of the credit union, the aggregate book value of which shall not exceed seven percent (7%) of the total assets of the credit union, unless otherwise specifically approved by the State Credit Union Board. A credit union may lease to any tenants as the credit union deems appropriate any portion of the facilities or premises of the credit union which are not utilized in the conduct of the business of the credit union;
5. To make loans to its members for provident or productive purposes, the maturities of which shall not exceed fifteen (15) years, except as otherwise provided herein and except as otherwise approved by the State Credit Union Board, and extend lines of credit to its members, to other credit unions and to credit union organizations and to participate with other credit unions, credit union organizations or financial organizations in making loans to credit union members, other credit unions and credit union organizations in accordance with the following:

- a. loans to credit union members shall be made in conformity with criteria established by the board of directors of the lending credit union; provided that:
- (1) a real estate loan secured by a first mortgage lien may have a maturity not exceeding thirty (30) years or any longer term which may be authorized by the State Credit Union Board,
 - (2) a loan to finance a manufactured home, which shall be secured by a first lien on such manufactured home, or a second mortgage loan secured by a dwelling, shall have a maturity not exceeding fifteen (15) years or any longer term which may be allowed by the State Credit Union Board,
 - (3) a loan secured by the insurance or guarantee of, or with advance commitment to purchase the loan by, a state or federal governmental agency may be made for the maturity and under the terms and conditions specified in the state or federal law under which such insurance, guarantee or commitment is provided,
 - (4) a loan or aggregate of loans to a director or to a member of the supervisory committee or the credit committee of the lending credit union which exceeds Twenty-five Thousand Dollars (\$25,000.00) plus the amount of any pledged shares shall be approved by the board of directors of the lending credit union, and
 - (5) loans to credit union members for which any director of the lending credit union or any member of the supervisory committee or credit committee of the lending credit union acts as a

guarantor or endorser shall be approved by the board of directors of the lending credit union when such loan, either standing alone or when added to any outstanding loan or loans of the guarantor or endorser, exceeds Twenty-five Thousand Dollars (\$25,000.00) plus the amount of any pledged shares,

- b. loans to credit union members and other eligible borrowers shall be made in accordance with and shall be paid or amortized in accordance with any rules or regulations as may be prescribed and adopted from time to time by the State Credit Union Board, after taking into account the needs or conditions of the borrowers, the amounts and duration of the loans, the interests of the members and the credit unions and such other factors as the State Credit Union Board may deem relevant,
- c. unless approval by the board of directors of the lending credit union is otherwise expressly required herein, loans to credit union members and other eligible borrowers shall be approved by the credit committee or by a loan officer of the lending credit union in accordance with criteria established by the board of directors,
- d. no loan or line of credit may be made to or established for a credit union member if the amount of such loan or line of credit, when aggregated with all other outstanding loans and lines of credit made to or established for such credit union member, will cause the credit union member to be indebted to the lending credit union in an amount exceeding six percent (6%) of the paid-in and unimpaired capital and surplus of

the lending credit union or six percent (6%) of the total assets of the lending credit union, whichever is greater,

- e. a self-replenishing line of credit may be established by a credit union for any eligible borrower to a stated maximum amount on terms and conditions which may differ from the terms and conditions established for other eligible borrowers,
- f. loans to other credit unions shall be approved by the board of directors of the lending credit union and shall not exceed twenty-five percent (25%) of the paid-in and unimpaired capital and surplus of the lending credit union,
- g. loans to credit union organizations shall be approved by the board of directors of the lending credit union and shall not exceed one percent (1%) of the paid-in and unimpaired capital and surplus of the lending credit union, except as otherwise approved by the State Credit Union Board. A "credit union organization" means any organization which is established primarily to serve the needs of credit unions and whose business relates to the daily operations of the credit unions served by such credit union organization,
- h. participation loans with other credit unions, credit union organizations or other financial organizations shall be in accordance with written policies adopted by the board of directors of the lending credit union and shall be approved by the board of directors of the lending credit union. However, a credit union which originates a loan for which participation arrangements are made in accordance with this subsection shall

retain an interest of at least ten percent (10%) of the face amount of such loan,

- i. a credit union may participate in any guaranteed loan program of the federal government or of this state under the terms and conditions specified in the laws under which such program is provided,
- j. a credit union may finance for any person, whether or not such person is a member of the credit union, the purchase from the credit union of any real or personal property owned and held by the credit union, including any property obtained by the credit union as a result of defaults in obligations owed to the credit union, and
- k. a credit union may make loans to its officers and directors and to members of its supervisory and credit committees. However, such loans shall not be made on terms more favorable than those extended to other members of the credit union. A credit union may permit officers, directors and members of its supervisory and credit committees to act as co-makers, guarantors or endorsers of loans to other credit union members;

6. To receive from its members, and other credit unions, state and federal, doing business in ~~this state~~ the United States, payments on shares and deposits, and to require such notice for withdrawal of shares and deposits as the bylaws may provide;

7. To amend its bylaws in the manner provided by the bylaws, but all amendments to the bylaws must be submitted to and approved by the State Credit Union Board before they become operative;

8. To invest its funds in accordance with the following:

- a. investments shall be made in conformity with criteria established by the board of directors of the credit

union and in accordance with any rules or regulations as may be prescribed and adopted from time to time by the State Credit Union Board, and

b. the following investments shall be authorized for credit unions:

- (1) loans to credit union members and other loans authorized for credit unions under the laws of this state,
- (2) obligations of the United States of America and obligations fully guaranteed as to principal and interest by any instrumentality or agency of the United States of America,
- (3) general obligations and revenue obligations of any state or any political subdivision thereof; provided the aggregate of such investments shall not exceed ten percent (10%) of the paid-in and unimpaired capital and surplus of the credit union; and provided that such investments shall be limited to obligations rated among the three highest rating categories established by one or more national rating services for governmental obligations,
- (4) obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board or any corporation designated by federal law as a wholly owned government corporation, or obligations, participations or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or the Government National Mortgage Association, or in

mortgages, obligations or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to the Federal Home Loan Mortgage Corporation Act, or in other obligations or other instruments or securities of the Student Loan Marketing Association, or obligations, participations, securities or other instruments of or issued by or fully guaranteed as to principal and interest by any other agency of the United States of America,

- (5) shares of, deposits with or loans to other federally insured credit unions in a total amount, in either case, not exceeding twenty-five percent (25%) of the paid-in and unimpaired capital and surplus of the investing credit union,
- (6) shares of, or accounts or deposits with any state or federal banks, mutual savings banks and savings and loan associations, the accounts of which are insured by an agency of the federal government,
- (7) shares of, deposits with or loans to any Federal Reserve Bank or any central liquidity facility established under state or federal law,
- (8) shares of, deposits with or loans to any central credit union or corporate credit union organized under state or federal law,
- (9) shares of, deposits with or loans to any organization, corporation or association providing services associated with the general purposes of the investing credit union or engaging in activities incidental to the

operations of any credit union; provided that such investments in the aggregate may not exceed one percent (1%) of the unimpaired capital and surplus of the investing credit union,

- (10) any obligations or securities authorized for investment by federal credit unions under the laws of the United States of America. However, such investments shall be in compliance with any restrictions or limitations pertaining thereto under the laws of the United States of America or under the regulations of the National Credit Union Administration,
- (11) money market funds rated among the three highest rating categories established by one or more national rating services for corporate or governmental securities,
- (12) shares of mutual funds if the investments and investment transactions of the fund are authorized for credit unions under the laws of this state, or
- (13) such other investments or types of investments as may be authorized from time to time by the State Credit Union Board; provided that the State Credit Union Board shall not be permitted under this specific grant of authority to authorize a credit union to purchase or own real estate solely for investment purposes;

9. To make deposits in national banks and in state banks, trust companies, savings and loan associations, and credit unions organized under the laws of this state, any other state, or the United States, operating in accordance with the laws of the State of

Oklahoma, or of the laws of the United States and approved by State Credit Union Board as depositories;

10. To borrow, from any source, in an aggregate amount not exceeding fifty percent (50%) of its shares, deposits and undivided earnings; such borrowed money may be borrowed either by means of bills payable or through rediscounts of its negotiable instruments, and credit unions may pledge their assets as collateral securities therefor;

11. To fine members, in accordance with the bylaws, for failure to meet their obligations promptly to their credit union;

12. To impress and enforce a lien upon the shares, deposits, dividends, and interest of any member to the extent of any loan made to him or endorsed by him and any interest or fines payable by him;

13. To charge an entrance fee as provided in the bylaws;

14. To hire clerical help; and

15. To exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated.

SECTION 3. AMENDATORY 6 O.S. 1991, Section 2010, as last amended by Section 1, Chapter 28, O.S.L. 1999 (6 O.S. Supp. 2000, Section 2010), is amended to read as follows:

Section 2010. A. 1. The business affairs of a credit union shall be managed by a board of not less than seven (7) members, elected by the members of the credit union, from their number, at their annual meeting, the organizational meeting being the first annual meeting, and to hold office for such terms as the bylaws may provide.

2. The bylaws of a credit union shall not prevent or restrict a member from serving as a director, unless such member has been, or is later, convicted of a crime involving dishonesty or breach of trust. ~~A credit committee of not less than three (3) members shall be either elected by the members or appointed by the board of~~

~~directors, from the membership of the credit union, at the annual meeting of the members or at the first meeting of the board of directors after the annual meeting of the members, as the bylaws may provide. Members of the credit committee shall hold office for such terms as specified in the bylaws. In lieu of a credit committee, a credit manager may be appointed by the board of directors if the bylaws so provide. The credit manager shall be an officer of the credit union. The supervisory committee shall be appointed by the board of directors unless otherwise provided in the bylaws. One director may be appointed or elected to the supervisory committee, but not the treasurer.~~

3. A record of names and addresses of the board of directors and the respective committees and officers shall be filed with the Bank Commissioner within ten (10) days after their election. No member of the board of directors shall, as such, be compensated, but the officers elected by the board of directors and the members of the credit and supervisory committees may receive such compensation for services performed as the board shall, by resolution, authorize.

4. The board of directors shall meet at least once a month, unless permitted by the Bank Commissioner to meet less often, and shall have the general direction and control of the affairs of the corporation. The minutes of all such meetings shall be kept. Among other things they shall act upon applications for membership.

5. The board shall also:

- a. declare dividends and determine rates of interest on deposits,
- b. fill vacancies in the board and in the credit committee until successors elected at the next annual meeting have qualified,
- c. authorize investment of credit union funds other than loans to members,

d. determine from time to time the maximum number of shares and deposits that will be accepted from a member in any calendar month not inconsistent with the bylaws, and

e. subject to limitations of this act, determine the interest rates on loans and the maximum amount that may be loaned with and without security to any member, and determine the rate of interest refund, if any, to be made to members.

A majority of the board may, however, agree to exclude loans made at rates of interest lower than the basic rate of the credit union and may also exclude loans where payments are in arrears from participation in such interest rebates. All other loans shall participate at the same rate of rebate.

6. The State Credit Union Board may, by approval of implementing amendments to the bylaws of a credit union, authorize the delegation of specific powers by the board of directors of the credit union to an executive committee of the board of designated officers of the credit union. However, the delegation of any power by the board of directors, as authorized, shall not relieve the board of any existing duty or obligation for the proper exercise of the delegated power.

B. 1. At their first meeting, after the annual meeting of the members, the directors shall elect from their number an executive officer, who may be designated as chairman of the board or president, a vice-chairman of the board or a vice-president, a secretary, and a treasurer, who shall be the executive officers of the corporation. The secretary and the treasurer may be the same person. The duties of the officers shall be determined by the bylaws.

2. The board of directors may employ an officer in charge of operations, whose title shall be either president and/or general manager or, in lieu thereof, the board of directors may designate the treasurer or an assistant treasurer, to act as general manager and be in active charge of the affairs of the credit union. Each active officer and employee of a credit union shall, before entering upon their duties, make and give a bond to the credit union, executed by a surety company, in an amount fixed by the State Credit Union Board, for the protection of the credit union against the fraud or dishonesty of each active officer or employee of the credit union. When the bond has been executed it shall be filed with the Bank Commissioner.

3. The board of directors may appoint a membership officer and delegate to the officer the power to approve or disapprove all membership applications. The membership officer may not be the treasurer or assistant treasurer. Once appointed, the membership officer shall submit to the board of directors a list of approved or pending applications for membership at each regular meeting of the board of directors.

~~C. The board of directors shall meet at least once a month, unless permitted by the Bank Commissioner to meet less often, and shall have the general direction and control of the affairs of the corporation. The minutes of all such meetings shall be kept. Among other things they shall act upon applications for membership. The board of directors may appoint a membership officer and delegate to the officer the power to approve or disapprove all membership applications. The membership officer may not be the treasurer or assistant treasurer. Once appointed, the membership officer shall submit to the board of directors a list of approved or pending applications for membership at each regular meeting of the board of directors. The board shall also declare dividends and determine rates of interest on deposits; fill vacancies in the board and in~~

~~the credit committee until successors elected at the next annual meeting have qualified; authorize investment of credit union funds other than loans to members; determine from time to time the maximum number of shares and deposits that may be held by any member and the maximum number of shares and deposits that will be accepted from a member in any calendar month not inconsistent with the bylaws; subject to limitations of this act, determine the interest rates on loans and the maximum amount that may be loaned with and without security to any member; and determine the rate of interest refund, if any, to be made to members. A majority of the board may, however, agree to exclude loans made at rates of interest lower than the credit union's basic rate and may also exclude loans where payments are in arrears from participation in such interest rebates. All other loans shall participate at the same rate of rebate. The State Credit Union Board may, by approval of implementing amendments to the bylaws of a credit union, authorize the delegation of specific powers by the board of directors of the credit union to an executive committee of the board or designated officers of the credit union. However, the delegation of any power by the board of directors, as authorized, shall not relieve the board of any existing duty or obligation for the proper exercise of the delegated power.~~

1. A credit committee of not less than three members shall be either elected by the members or appointed by the board of directors, from the membership of the credit union, at the annual meeting of the members, or at the first meeting of the board of directors after the annual meeting of the members, as the bylaws may provide. Members of the credit committee shall hold office for such terms as specified in the bylaws. In lieu of a credit committee, a credit manager may be appointed by the board of directors, if the bylaws so provide. The credit manager shall be an officer of the credit union.

~~D.~~ 2. A credit committee, or if the bylaws so provide, a credit manager, shall have the general supervision of all loans to members. It shall be the duty of the credit committee, or if applicable, the credit manager, to provide for the review of all applications for loans, to ascertain whether or not such loan would benefit the applicant, and to determine whether or not the security offered, in the judgment of the credit committee or the credit manager, is sufficient and the terms proper. If the loans of the credit union are supervised by a credit committee, the credit committee shall meet as often as may be required after due notice has been given to each member thereof, but not less than once a month, and shall keep a record of all meetings.

3. The credit committee, or the credit manager, shall make a report to the members at the annual meeting.

4. To facilitate the work of the credit committee or the credit manager, the credit committee or the credit manager, whichever is applicable, may appoint one or more loan officers and ~~such~~ assistants, as may be necessary. Loan officers shall act under the direction of the credit committee or the credit manager and may approve or disapprove loans, but only within written rules and regulations established by the credit committee or the credit manager. A record of loans approved by each loan officer shall be made available upon request to the credit committee or the credit manager.

~~E.~~ D. 1. The supervisory committee shall be appointed by the board of directors unless otherwise provided in the bylaws. One director may be appointed or elected to the supervisory committee, but not the treasurer.

2. The supervisory committee shall make a semiannual examination of the affairs of the credit union, including an audit of its books; and shall make an annual audit and a report to be submitted at the annual meeting of the corporation. However, if the

supervisory committee, with the approval of the board of directors, employs an auditor approved by the State Credit Union Board, a licensed public accountant or a certified public accountant to perform an annual audit of the affairs and books of the credit union, such annual audit by the outside auditor shall constitute full compliance with this subsection.

~~2.~~ 3. The supervisory committee shall make a report of any audit it causes to be conducted of the credit union at the annual meeting of the credit union.

~~3.~~ 4. By a unanimous vote, the supervisory committee may suspend any officer of the corporation, including the credit manager, or any member of the credit committee or of the board of directors until the next members' meeting, which meeting, however, shall be held within fourteen (14) days of the suspension and at which meeting the suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this law, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The board of directors shall fill vacancies on the supervisory committee.

~~4.~~ 5. The supervisory committee shall in such manner as it deems advisable cause the accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every two (2) years.

~~5.~~ 6. The supervisory committee shall meet as often as necessary to conduct the business of the supervisory committee and at such other times as the Commissioner may prescribe. Minutes of all such meetings shall be kept.

~~6.~~ 7. No member of the supervisory committee may be excluded from attending the meetings of the board of directors of the credit union.

SECTION 4. AMENDATORY 6 O.S. 1991, Section 2013, as amended by Section 2, Chapter 28, O.S.L. 1999 (6 O.S. Supp. 2000, Section 2013), is amended to read as follows:

Section 2013. As the bylaws may provide and, pursuant to such regulations as may be issued by the Oklahoma State Credit Union Board, the board of directors of a credit union may declare a dividend to be paid at different rates on different types of accounts from ~~current income, after providing for required transfers to the statutory reserve, plus~~ any available balances in undivided earnings. If undivided earnings are depleted, dividends can only be paid upon prior written approval of the Commissioner.

SECTION 5. This act shall become effective November 1, 2001.

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