

in section 1786(b) of this title) that is material during the 1-year period preceding the date of filing of the application;

(B) the credit union is adequately capitalized;

(C) the credit union has the administrative capability to serve the proposed membership group and the financial resources to meet the need for additional staff and assets to serve the new membership group;

(D) any potential harm that the expansion of the field of membership of the credit union may have on any other insured credit union and its members is clearly outweighed in the public interest by the probable beneficial effect of the expansion in meeting the convenience and needs of the members of the group proposed to be included in the field of membership; and

(E) the credit union has met such additional requirements as the Board may prescribe, by regulation.

**(g) Regulations required for community credit unions**

**(1) Definition of well-defined local community, neighborhood, or rural district**

The Board shall prescribe, by regulation, a definition for the term “well-defined local community, neighborhood, or rural district” for purposes of—

(A) making any determination with regard to the field of membership of a credit union described in subsection (b)(3); and

(B) establishing the criteria applicable with respect to any such determination.

**(2) Scope of application**

The definition prescribed by the Board under paragraph (1) shall apply with respect to any application to form a new credit union, or to alter or expand the field of membership of an existing credit union, that is filed with the Board after August 7, 1998.

(June 26, 1934, ch. 750, title I, §109, formerly §9, 48 Stat. 1219; July 31, 1946, ch. 711, §2, 60 Stat. 744; 1947 Reorg. Plan No. 1, §401, eff. July 1, 1947, 12 F.R. 4534, 61 Stat. 952; June 29, 1948, ch. 711, §§1, 2, 62 Stat. 1091; renumbered §10 and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 631; Pub. L. 91-206, §2(1), Mar. 10, 1970, 84 Stat. 49; renumbered title I, §109, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-383, title VII, §722, Aug. 22, 1974, 88 Stat. 719; Pub. L. 95-630, title V, §502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 105-219, title I, §§101-103, Aug. 7, 1998, 112 Stat. 914-917; Pub. L. 109-351, title VII, §726(9), Oct. 13, 2006, 120 Stat. 2002.)

AMENDMENTS

2006—Subsec. (c)(2)(A)(i). Pub. L. 109-351 made technical amendment to reference in original act which appears in text as reference to section 4702(16) of this title.

1998—Subsec. (a). Pub. L. 105-219, §101(1)(A), designated existing provisions as subsec. (a) and inserted heading and “Subject to subsection (b),” before “Federal credit union membership shall consist of”.

Pub. L. 105-219, §101(1)(B), which directed the amendment of subsec. (a) by striking out “, except that Federal credit union membership shall be limited to groups having a common bond of occupation or association, or

to groups within a well-defined neighborhood, community, or rural district” after “directors”, was executed by striking out such language which began with a semicolon rather than a comma after “directors” to reflect the probable intent of Congress.

Subsecs. (b) to (e). Pub. L. 105-219, §101(2), added subsecs. (b) to (e).

Subsec. (f). Pub. L. 105-219, §102, added subsec. (f).

Subsec. (g). Pub. L. 105-219, §103, added subsec. (g).

1978—Pub. L. 95-630 substituted “Board” for “Administrator”.

1974—Pub. L. 93-383 substituted “a uniform entrance fee if required by the board of directors” for “the entrance fee”.

1970—Pub. L. 91-206 substituted “Administrator” for “Director”.

1959—Pub. L. 86-354 substituted “persons” for “person” before “designated”.

1946—Act July 31, 1946, inserted sentence at end permitting a Federal credit union to issue shares in joint tenancy with a right of survivorship.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

REPORT AND CONGRESSIONAL REVIEW REQUIREMENT FOR CERTAIN REGULATIONS

Pub. L. 105-219, title II, §205, Aug. 7, 1998, 112 Stat. 923, provided that: “A regulation prescribed by the Board [National Credit Union Administration Board] shall be treated as a major rule for purposes of chapter 8 of title 5, United States Code, if the regulation defines, or amends the definition of—

“(1) the term ‘immediate family or household’ for purposes of section 109(e)(1) of the Federal Credit Union Act [12 U.S.C. 1759(e)(1)] (as added by section 101 of this Act); or

“(2) the term ‘well-defined local community, neighborhood, or rural district’ for purposes of section 109(g) of the Federal Credit Union Act (as added by section 103 of this Act).”

**§ 1760. Members’ meetings**

The fiscal year of all Federal credit unions shall end December 31. The annual meeting of each Federal credit union shall be held at such place as its bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated for the purpose. Irrespective of the number of shares held, no member shall have more than one vote.

(June 26, 1934, ch. 750, title I, §110, formerly §10, 48 Stat. 1219; renumbered §11, Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 631; amended Pub. L. 88-150, §1, Oct. 17, 1963, 77 Stat. 270; renumbered title I, §110, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 97-320, title V, §519, Oct. 15, 1982, 96 Stat. 1531.)

AMENDMENTS

1982—Pub. L. 97-320 struck out “at such time during the following January, February, or March and” after “shall be held”, and “by him” after “shares held”.

1963—Pub. L. 88-150 substituted “during the following January, February, or March” for “during the month of the following January”.

**§ 1761. Management****(a) Board of directors, credit committee, and supervisory committee; election to board**

The management of a Federal credit union shall be by a board of directors, a supervisory committee, and where the bylaws so provide, a credit committee. The board shall consist of an odd number of directors, at least five in number, to be elected annually by and from the members as the bylaws provide. Any vacancy occurring on the board shall be filled until the next annual election by appointment by the remainder of the directors.

**(b) Membership on supervisory committee; names and addresses of officers and committee members**

The supervisory committee shall be appointed by the board of directors and shall consist of not less than three members nor more than five members, one of whom may be a director other than the compensated officer of the board. A record of the names and addresses of the executive officers, members of the supervisory committee, credit committee, and loan officers, shall be filed with the Administration within ten days after their election or appointment.

**(c) Compensation**

No member of the board or of any other committee shall, as such, be compensated, except that reasonable health, accident, similar insurance protection, and the reimbursement of reasonable expenses incurred in the execution of the duties of the position shall not be considered compensation.

(June 26, 1934, ch. 750, title I, § 111, formerly § 11, 48 Stat. 1219; June 15, 1940, ch. 366, 54 Stat. 398; July 31, 1946, ch. 711, §§ 3-6, 60 Stat. 745; 1947 Reorg. Plan No. 1, § 401, eff. July 1, 1947, 12 F.R. 4534, 61 Stat. 952; June 29, 1948, ch. 711, §§ 1, 2, 62 Stat. 1091; Oct. 25, 1949, ch. 713, § 2, 63 Stat. 890; June 30, 1954, ch. 426, § 1, 68 Stat. 335; Aug. 24, 1954, ch. 905, §§ 1, 2, 68 Stat. 792; renumbered § 12 and amended Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 632; Pub. L. 88-353, § 2, July 2, 1964, 78 Stat. 269; Pub. L. 91-206, § 2(3), Mar. 10, 1970, 84 Stat. 49; renumbered title I, § 111, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-495, title I, § 116, Oct. 28, 1974, 88 Stat. 1507; Pub. L. 95-630, title V, § 502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 97-320, title V, § 520, Oct. 15, 1982, 96 Stat. 1531.)

**AMENDMENTS**

1982—Pub. L. 97-320 substituted provisions divided into subsecs. (a), (b), and (c) relating to the management of a Federal credit union, including the board of directors, credit and supervisory committees, and the matter of their compensation, for provisions which read as follows: "The business affairs of a Federal credit union shall be managed by a board of not less than five directors, and a credit committee of not less than three members, all to be elected at the annual members' meeting by and from the members, and by a supervisory committee of not less than three members nor more than five members, one of whom may be a director other than the treasurer, to be appointed by the board. Any vacancy occurring in the supervisory committee shall be filled in the same manner as original appointments to such committee. All members of the board and of such committees shall hold office for such

terms, respectively, as the bylaws may provide. A record of the names and addresses of the members of the board and such committees and of the officers of the credit union shall be filed with the Administration within ten days after their election or appointment. No member of the board or of either such committee shall, as such, be compensated: *Provided, however*, That reasonable health, accident, and similar insurance protection shall not be considered compensation under regulations promulgated by the Board."

1978—Pub. L. 95-630 substituted "Board" for "Administrator".

1974—Pub. L. 93-495 inserted proviso relating to compensation in the form of health, accident, and similar insurance protection.

1970—Pub. L. 91-206 substituted "Administration" for "Bureau".

1964—Pub. L. 88-353 increased size of supervisory committee from three members to not less than three members nor more than five members.

1959—Pub. L. 86-354 provided for appointment instead of election of members of supervisory committee and for filling of vacancies in such committee, and struck out former subsecs. (b) to (e) relating to officers, directors, credit committee and supervisory committee. See sections 1761a to 1761d of this title, respectively.

1954—Subsecs. (b), (c). Act Aug. 24, 1954, provided express authority for the Director of the Bureau of Federal Credit Unions to regulate the minimum amount and character of surety bonds for officers and employees.

Subsec. (c). Act June 30, 1954, inserted provision with respect to interest refunds.

1949—Subsec. (d). Act Oct. 25, 1949, substituted "\$400" for "\$300" wherever appearing.

1946—Subsec. (c). Act July 31, 1946, struck out "fix the amount and character of the surety bond required of any officer having custody of funds" and inserted "require any officer or employee having custody of or handling funds to give bond with good and sufficient surety in an amount and character to be determined, from time to time, by the board and authorize the payment of the premium or premiums therefor from the funds of the Federal credit union".

Subsec. (d). Act July 31, 1946, struck out requirement that notice of meeting of the credit committee must be given by the treasurer and increased the maximum amount of an unsecured loan to a member from \$100 to \$300.

Subsec. (e). Act July 31, 1946, inserted last sentence defining "passbook".

1940—Subsec. (d). Act June 15, 1940, substituted "\$100" for "\$50" in fourth sentence.

**EFFECTIVE DATE OF 1978 AMENDMENT**

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

**TRANSFER OF FUNCTIONS**

Transfer of functions of Farm Credit Administration and Governor thereof, generally, see notes set out under section 1751 of this title.

Functions of Governor of Farm Credit Administration under this section transferred to Federal Deposit Insurance Corporation by Reorg. Plan No. 1 of 1947.

**§ 1761a. Officers of the board**

At their first meeting after the annual meeting of the members, the directors shall elect from their number the board officers specified in the bylaws. Only one board officer may be compensated as an officer of the board and the bylaws shall specify such position as well as the specific duties of each of the board officers. The board shall elect from their number a financial officer who shall give adequate fidelity coverage in accordance with section 1761b(2) of this title.