

**§ 1790. Nondiscriminatory provision**

It is not the purpose of this subchapter to discriminate in any manner against State-chartered credit unions and in favor of Federal credit unions, but it is the purpose of this subchapter to provide all credit unions with the same opportunity to obtain and enjoy the benefits of this subchapter.

(June 26, 1934, ch. 750, title II, §211, formerly §210, as added Pub. L. 91-468, §1(3), Oct. 19, 1970, 84 Stat. 1015; renumbered §211, Pub. L. 95-147, §2(c)(2), Oct. 28, 1977, 91 Stat. 1228.)

**§ 1790a. Board disapproval of directors, committee members, and senior executive officers of insured credit unions****(a) Prior notice required**

An insured credit union shall notify the Board of the proposed addition of any individual to the board of directors or committee or the employment of any individual as a senior executive officer of such credit union at least 30 days before such addition or employment becomes effective, if the insured credit union—

- (1) has been chartered less than 2 years; or
- (2) is in troubled condition, as determined on the basis of such credit union's most recent report of condition or report of examination.

**(b) Disapproval by Board**

An insured credit union may not add any individual to the board of directors or employ any individual as a senior executive officer if the Board issues a notice of disapproval of such addition or employment before the end of the 30-day period beginning on the date the agency receives notice of the proposed action pursuant to subsection (a).

**(c) Exception in extraordinary circumstances****(1) In general**

The Board may prescribe by regulation conditions under which the prior notice requirement of subsection (a) may be waived in the event of extraordinary circumstances.

**(2) No effect on disapproval authority of Board**

Such waivers shall not affect the authority of the Board to issue notices of disapproval of such additions or employment of such individuals within 30 days after each such waiver.

**(d) Additional information**

Any notice submitted to the Board by any insured credit union pursuant to subsection (a) shall include—

- (1) the information described in section 1817(j)(6)(A) of this title about the individual; and
- (2) such other information as the Board may prescribe by regulation.

**(e) Standard for disapproval**

The Board shall issue a notice of disapproval with respect to a notice submitted pursuant to subsection (a) if the competence, experience, character, or integrity of the individual with respect to whom such notice is submitted indicates that it would not be in the best interests of the depositors of the insured credit union or in the best interests of the public to permit the

individual to be employed by, or associated with, such insured credit union.

**(f) Definition regulations**

The Board shall prescribe by regulation a definition for the terms “troubled condition” and “senior executive officer” for purposes of subsection (a).

(June 26, 1934, ch. 750, title II, §212, as added Pub. L. 101-73, title IX, §914(b), Aug. 9, 1989, 103 Stat. 485.)

## CODIFICATION

Section 914(b) of Pub. L. 101-73, which directed that this section be added to title II of “the Federal Credit Union Insurance Act (12 U.S.C. 1781 et seq.)” was executed by adding this section to the Federal Credit Union Act, which comprises this chapter, as the probable intent of Congress.

**§ 1790b. Credit union employee protection remedy****(a) In general****(1) Employees of credit unions**

No insured credit union may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to the Board or the Attorney General regarding any possible violation of any law or regulation by the credit union or any director, officer, or employee of the credit union.

**(2) Employees of the Administration**

The Administration may not discharge or otherwise discriminate against any employee (including any employee of the National Credit Union Central Liquidity Facility) with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to the Administration or the Attorney General regarding any possible violation of any law or regulation by—

- (A) any credit union or the Administration;
- (B) any director, officer, committee member, or employee of any credit union; or
- (C) any officer or employee of the Administration.

**(b) Enforcement**

Any employee or former employee who believes he has been discharged or discriminated against in violation of subsection (a) may file a civil action in the appropriate United States district court before the close of the 2-year period beginning on the date of such discharge or discrimination. The complainant shall also file a copy of the complaint initiating such action with the Board.

**(c) Remedies**

If the district court determines that a violation of subsection (a) has occurred, it may order the credit union or the Administration which committed the violation—

- (1) to reinstate the employee to his former position,