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**BY-LAWS**

**ARTICLE I - NAME**

The name of the credit union shall be the \_\_\_\_\_ Credit Union.

**ARTICLE II - PURPOSE**

The purpose of \_\_\_\_\_ Credit Union is to provide quality services and promote the financial well-being of its members and their families.

**ARTICLE III - MEMBERSHIP**

Membership will consist of (describe field of membership here) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE IV - MEETINGS OF MEMBERS**

**SECTION 1.** The annual meeting of the members, for the purpose of electing directors, and transacting such other business as may properly come before the meeting, shall be held during the first quarter of each calendar year, within the county in which the principal office of the Credit Union is located, or in the county adjacent thereto. The time and place for such meeting shall be fixed by the Board of Directors at a Directors' meeting.

**SECTION 2** Any new business shall be stated in writing and filed with the secretary at least ninety days (90) before such annual meeting, and all business so stated, proposed and filed, shall be reviewed by the board and at their discretion considered at the annual meeting.

**SECTION 3** Any number of persons present at any members' meeting duly called shall constitute a quorum.

**SECTION 4** The conduct of all meetings shall be governed by the Roberts Rules of Order. If there is any conflict between these Rules and the provisions of these by-laws, the provisions of these by-laws shall prevail.

**SECTION 5** Votes at meetings of members shall be cast in person. All members shall have one (1) vote irrespective of the number of shares held at the credit union. Unless

otherwise provided in applicable provisions of the Banking Law or in these Bylaws, a vote of the majority of members present at a meeting shall be the act of the corporation.

**SECTION 6** Special meetings of the members shall be called upon the order of the Board of Directors, or the Supervisory Committee, or upon the written request of ten percent (10%) of the members, over the age of 18, of the Credit Union, and may be held at any location permitted for the annual meeting. A special meeting shall be called by the Chairman of the Board within ninety (90) days of the receipt of a written request of ten percent (10%) of the members over the age of 18. Notice of such special meetings shall be as provided in these bylaws. No business, other than that specified in the notice of the meeting shall be transacted at a special meeting.

**SECTION 7** Notice of the time and place of any members' meeting shall be kept posted in a conspicuous place in all offices of this Credit Union where it may be read by the members, at least fourteen (14) days prior to such meeting. In addition, said Notice shall be made known to the members in such other manner as, in the discretion of the Board of Directors, shall provide the members with adequate notice.

**SECTION 8** The order of business at the annual meeting of the members shall be as follows:

- Ascertainment that a quorum is present.
- Reading and approval (or correction) of the minutes of the previous meeting.
- Report of the Chairman.
- Report of the Chief Executive Officer
- Report of the Supervisory Committee.
- Unfinished business.
- New business other than elections.
- Election of members of the Board of Directors.
- Adjournment.

The members assembled at any annual meeting may amend the above order upon a vote of the members present at the meeting.

**SECTION 9.** The Board of Directors, at least 120 days prior to the annual meeting shall appoint a nominating committee of three (3) members. Such committee shall make nominations for directors in writing and deliver to the secretary such written nominations at least 60 days prior to such annual meeting, which nominations shall be posted in a prominent place at the office of the Credit Union at least 14 days prior to such annual meeting. Any further nominations for directors may be made on written petition of at least 10% of the members over the age of 18 of the Credit Union, filed with the secretary at least 60 days prior to such annual meeting and posted by the secretary as above. Notice of said nominations shall be given to members as provided in Section 7 of this Article. Thereafter, no nominations shall be filed.

To be eligible to sign a nominating petition as provided in this Article, a person must have been a member for at least ninety (90) days immediately preceding the date of the signing of the petition.

No member shall be eligible for appointment to membership on the Board of Directors until (s)he has been a member for at least one (1) year at the time of the election.

**SECTION 10.** When a meeting of the members is held to elect Board members and the number of candidates seeking Board membership is greater than the number of seats available, there will be a mail ballot vote. Ballots will be mailed to all members age 18 or older and tabulated by a third party. Each shareholder shall have one vote irrespective of the number of shares which he holds. Proxy votes are prohibited.

## **ARTICLE V - DIRECTORS**

**SECTION 1.** The Board of Directors shall consist of 7 members, and each shall be an owner of at least one (1) share on the books of the credit union and are elected as follows:

Directors elected at the annual meeting shall be elected for terms of 3 years unless the election is to fill a vacancy, in which event, it shall be for the period of the unexpired term. No member of the Board of Directors shall serve on the Supervisory Committee.

**SECTION 2.** A meeting of the newly elected Board of Directors shall be held after the annual meeting of the shareholders, and the Board of Directors shall elect from their number the following officials:

The Chairman of the Board who is to have the title of President.

The Vice Chairman of the Board who is to have the title of First Vice President.

The Financial Officer who is to have the title of Treasurer.

The Recording Officer who is to have the title of Secretary.

The Board of Directors shall hire a Chief Executive Officer to be responsible for the operations of the credit union.

At the discretion of the Board of Directors, the positions of secretary and treasurer may be held by one person. The Board of Directors shall also appoint after each annual meeting, a Supervisory Committee. Supervisory Committee members appointed by the Board of Directors shall serve until the subsequent annual meeting unless removed from office by the members for cause. Vacancies on the committees shall be filled by the directors. The Board of Directors shall meet at least once in each month. At all meetings of the Board, the majority of the directors shall constitute a quorum.

**SECTION 3.** The President, or in his/her absence the ranking vice president, may call a special meeting of the Board at any time; and shall do so upon request of a majority of

the directors then holding office. The President, or in his/her absence the ranking vice president, shall fix the time and place of special meetings. Notice of all meetings shall be given in such manner as the Board may from time to time, by resolution prescribe.

**SECTION 4.** The Board of Directors shall have the general direction and control of the affairs, funds, and records of the credit union and shall be responsible for performing all the duties customarily performed by boards of directors, including those duties specifically required by law or regulation. Specific duties include, but not by way of limitation, the following:

- Directing the affairs of the Credit Union in accordance with the requirements of the New York State Banking Law, these Bylaws, directives of the Superintendent of Banks, and sound business practices.
- Establishing programs to achieve the purposed of this credit union as stated in Article II of these Bylaws.
- Fixing the maximum number and classes of shares, share drafts, and share certificates which may be held by the maximum amount which may be lent to, any member subject to any restrictions in the Article XI of the Banking Law.
- Declaring dividends to all members pursuant to Article XI of the Banking Law.
- Determining the types of loans to be granted, maximum loan amounts, maturity and repayment schedules, rates of interest to be charged, and types of collateral accepted.
- Establishing a loan collection policy and authorizing the charge-off of uncollectable loans.
- The Board of Directors shall have the power to fix the salaries or compensation of all officers and employees and to reimburse committee members for reasonable and proper costs incurred while carrying out the responsibilities of their positions in compliance with Article XI of the Banking Law and to make rules pertaining thereto.
- The Board of Directors shall from time to time, but at least annually, review the adequacy of and fix the amount of the blanket surety bond which shall be required on all officers controlling funds.
- Directing the deposit or investment of funds, except loans to members.
- A member shall have the right, upon written request, of a review by the Board of Directors of a loan application which has been denied.

**SECTION 5.** The Chief Executive Officer shall be responsible for the administration of the membership application process to ensure the guidelines as set forth in these

bylaws are complied with. The Chief Executive Officer shall submit to the Board of Directors at each monthly meeting a summary report of approved or pending applications for membership since the previous monthly meeting, pursuant to Article XI of the Banking Law.

**SECTION 6.** Vacancies on the Board of Directors occasioned by resignations, deaths or other causes shall be filled by the Board of Directors for the period of the unexpired term.

**SECTION 7.** Any Director who, after his/her election, ceases to be the owner of at least one (1) share on the books of the credit union must cure the disqualification within thirty (30) days or thereby vacate his/her office. Such director shall not be eligible for re-election as a director for a period of one (1) year from the date of the next succeeding annual meeting.

**SECTION 8.** A majority of the number of directors (inclusive of any vacancies) shall constitute a quorum for the transaction of business at any meeting thereof.

#### **ARTICLE VI OFFICERS AND THEIR DUTIES**

**SECTION 1.** The executive officers of this Credit Union shall be as defined in Article V, Section 2, of these bylaws. Unless sooner removed as herein provided, the officers shall hold office until the next meeting of the Board of Directors following the next annual meeting of members, and until the election of their respective successors.

**SECTION 2.** The duties of the President shall be to preside at meetings of the members and of the Board of Directors and to perform the usual duties connected with that office.

**SECTION 3.** The Vice President shall have and exercise all the powers, authority and duties of the President during the absence of the latter or his/her inability to act, and such other duties as the Board of Directors may, from time to time, prescribe.

**SECTION 4.** Subject to such limitations and control as may be imposed by the Board of Directors, the Chief Executive Officer shall have custody of all funds, securities, books of account, other valuable papers and other assets of this Credit Union. (S)he shall provide and maintain full and complete records of all the assets, liabilities and financial transactions of this Credit Union. (S)he shall sign all checks, drafts and notes drawn by the Credit Union, provided, however, that the Board may by resolution, designate other authorized signatories on all checks, drafts, notes or written instrument drawn by the Credit Union.

A copy of any report required by the Superintendent of Banks or of any report made by the Supervisory Committee shall be submitted by the Chief Executive Officer at the next meeting of the board following its preparation.

The Chief Executive Officer shall perform such other duties as customarily pertain to the CEO or as (s)he may be directed to perform by resolution of the Board consistent with the New York Banking Law and regulations and these bylaws.

**SECTION 5.** One or more authorized signors may also act as Chief Executive Officer during temporary absence of the CEO or in the event of his/her temporary inability to act. Authorized signors may not hold the office of President or Vice President.

**SECTION 6.** The secretary shall keep correct records of all meetings of the members, of the Board of Directors, and of joint meetings of the directors and the Supervisory Committee. (S)he shall perform all other duties incident to his/her office.

**SECTION 7.** The Board may appoint one or more assistant secretaries, none of whom may also hold office as President, Vice President, or Treasurer, and may authorize them under direction of the Secretary to perform any of the duties devolving on the Secretary.

**SECTION 8.** The Treasurer shall ensure the financial reports are completed in accordance with the by-laws and that the financial reports are posted for the membership pursuant to Article XI of the Banking Law.

## **ARTICLE VII – SUPERVISORY COMMITTEE**

**SECTION 1.** The Supervisory Committee shall consist of 3 or more members, appointed by the Board of Directors, as provided for in Article V, Section 2 of these Bylaws and each shall be an owner of at least one (1) share on the books of the credit union. The Supervisory Committee shall meet at least once every 6 months to audit the books of this Credit Union, make reports of same to the members, and shall perform such other duties as are prescribed in the Banking Law.

**SECTION 2.** The Supervisory Committee shall verify or cause to be verified, under controlled conditions, the Members accounts with the records of the Treasurer not less frequently than once every two (2) years.

**SECTION 3.** The Supervisory Committee shall, at frequent intervals, inspect the securities, cash and accounts of the credit union and make annual reports of the same to members. They shall review the acts of the Board of Directors and the other officers as often as may be necessary.

**SECTION 4.** The Supervisory Committee shall also make such reports to the Superintendent of Banks as are required by the New York Banking Law and as directed by said Superintendent. The Supervisory Committee shall also act in conformity with any and all laws, and regulations governing the affairs of this Credit Union.

**SECTION 5.** The Supervisory Committee shall make or cause to be made an annual audit in conformity with the statutory requirements set forth in Article XI of the New York Banking Law; shall make or cause to be made such supplementary audits as it deems necessary or as may be ordered by the Superintendent of Banks.

**SECTION 6.** The minutes, work papers and schedules, and reports required of the Supervisory Committee, shall be filed and preserved with the records of the credit union.

**SECTION 7.** Any committee member who ceases to be the owner of at least one (1) share on the books of the credit union must cure the disqualification within thirty (30) days or thereby vacate his/her office.

**SECTION 8.** Supervisory Committee members will be appointed by a majority of the Board of Directors annually.

### **ARTICLE VIII - CAPITAL**

**SECTION 1.** The capital of this Credit Union shall consist of the payments and dividends credited to shareholders of their shares.

### **ARTICLE IX - SHARES**

**SECTION 1.** The number of shares which may be issued by the credit union shall be unlimited.

**SECTION 2.** The par value of shares is \$5.00.

**SECTION 3.** Share may be paid for in full at the time of subscription or in regular weekly or monthly installments.

**SECTION 4.** Whenever payments made by a member upon installment shares shall equal the par value of a share, (s)he shall become the owner of a fully paid share, and be eligible to apply for all the benefits of membership.

**SECTION 5.** Every member shall, at the time of his/her admission to membership affix his/her signature to a signature card which shall state the date of his/her admission and his/her address. A member, other than an individual, shall cause a duly authorized official to sign the signature card. This card shall be preserved among the records of the credit union for a period of at least six (6) years from the date of the closing or escheatage of the account.

**SECTION 6.** Shares may be transferred to any person eligible for membership, subject to the approval of the Board of Directors. No transfer shall be permitted if the transferor is indebted to the credit union.

**SECTION 7.** The money credited on shares may be withdrawn at any time by written instrument executed by the withdrawing member in such form as the Board may prescribe; but the Board of Directors may require a member at any time to give fourteen (14) days notice in writing of his/her intention to withdraw the whole or any part of the amount paid in by him/her on account of shares. The credit union shall notify the Superintendent of Banks the same day that such withdrawal notice requirement is put into effect. In the event funds are not available to meet the requests, such withdrawals shall be honored as funds become available in the order in which the notices were filed.

**SECTION 8.** No officer, director, attorney, accountant, committee member, clerk, or agent, of this Credit Union shall, as an individual, discount or directly or indirectly purchase from another member a share in this credit union.

**SECTION 9.** The credit union may impose a lien on the shares and certificates of any member and upon the dividends and interest payable thereon for and to the extent of any loans made to him/her, or, any dues and fines payable by him/her.

#### **ARTICLE X - WITHDRAWAL**

**SECTION 1.** A member desiring to withdraw from the credit union may be requested to file a written notice of his/her intention to withdraw.

**SECTION 2.** A member who fails to complete payment of one share within six (6) months of his/her admission to membership, or within six (6) months from an increase in the par value of shares, or a member who reduces his/her share balance below the par value of one share and does not increase the balance to at least the par value of one share within six (6) months of the reduction will be considered to have withdrawn from membership in the credit union.

#### **ARTICLE XI - EXPULSION**

**SECTION 1.** The Board of Directors may expel any member who has not carried out his/her obligations to the credit union, or who has been convicted of a criminal offense or who neglects or refuses to comply with the provisions of credit union statutes or of these Bylaws, or who habitually neglects to pay his/her debts, or who becomes insolvent or bankrupt. The Board, by majority vote, at any meeting, may expel a member whose actions are considered to be contrary to the best interests of the credit union or its members, but no member shall be expelled until (s)he has been informed, in writing, of the charges against him/her and has had opportunity to be heard. In the event of the expulsion of a member for any cause such expelled member shall be deemed a withdrawing member, as regards the conditions hereinabove provided for the redemption of shares. Any member who withdraws or is expelled, shall not be relieved thereby of any remaining liability to the credit union.



## **ARTICLE XII - FINES**

**SECTION 1.** Any borrower who is delinquent in making a required payment on a loan may be charged a late fee. Such late fees shall be collectible from comakers, endorsers, guarantors, and sureties, if not paid by the borrower. The Board of Directors will assess late fees and review the fee schedule as appropriate..

## **ARTICLE XIII – POWER TO BORROW**

**SECTION 1.** This Credit Union may borrow money in such amount and in such manner as is permitted by the Banking Law.

## **ARTICLE XIV- DIVIDENDS**

**SECTION 1.** Dividends may be declared by a majority of the Board of Directors in the manner prescribed in Article XI of the New York Banking Law and may be paid for any period and on any basis authorized by the applicable provisions of the New York Banking Law.

## **ARTICLE XV- INVESTMENT OF FUNDS**

**SECTION 1.** The capital, surplus account, reserve for bad debts, undivided profits, and all other funds of this Credit Union, shall be invested as ordered by the Board of Directors within the limitations of the Banking Law.

## **ARTICLE XVI - LOANS**

**SECTION 1.** The Loan Officers shall act on applications for loans from members pursuant to the policies and standards set by the Board of Directors.

**SECTION 2.** Notwithstanding the above, the Board of Directors has the authority to impose any additional credit consideration deemed necessary and/or appropriate to enable the credit union to adequately and prudently carry out its lending function.

**SECTION 3.** Applications for extensions of credit except for those made for a revolving credit line, shall state the purpose for which the money is to be borrowed and when an individual acts as guarantor on a note, that no consideration has passed or will pass from the borrower to the guarantor for his/her guarantee.

**SECTION 4.** No officer, director, committee member or employee of the credit union, shall borrow from the credit union either directly or indirectly, or become a comaker, endorser, surety, or guarantor, for any loan from this Credit Union, except as permitted in

the Banking Law. The rates of interest charged on loans shall be set by the Board of Directors

**SECTION 5.** All loan agreements shall set forth the items required to be disclosed by the Act of Congress entitled "Truth in Lending Act" and the regulations thereunder, as such Act and regulations from time to time be amended.

**SECTION 6.** A borrower shall take no part in the consideration of his/her loan application and shall not attend any committee or board meeting while his/her application is under consideration.

**ARTICLE XVII – EVIDENCE OF SHARE OWNERSHIP**

**SECTION 1.** At least annually and at other times upon request, each member shall receive a detailed statement evidencing transactions and the amount of shares and loan balances. Receipt shall be given for all cash payments.

**ARTICLE XVIII - LIABILITY**

**SECTION 1.** The members shall not be equally and ratably liable for the payment of the debts of the corporation.

**ARTICLE XIX – AMENDMENT OF BYLAWS**

**SECTION 1.** The bylaws of this Credit Union may be changed or amended as provided by the New York Banking Law, with the prior approval of the Superintendent of Banks.

IN WITNESS of the adoption of the foregoing Bylaws hereinbefore set forth as the Bylaws of the:

\_\_\_\_\_ **CREDIT UNION**

We have hereunto subscribed our names this \_\_\_\_ day of \_\_\_\_20\_\_\_\_.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

