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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To amend the Federal Credit Union Act to modernize certain processes regarding expulsion of credit union members for cause, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. EMMER introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Federal Credit Union Act to modernize certain processes regarding expulsion of credit union members for cause, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit Union Govern-
5 ance Modernization Act of 2020”.

1 **SEC. 2. EXPULSION OF FEDERAL CREDIT UNION MEMBERS**
2 **FOR CAUSE.**

3 Section 118(a) of the Federal Credit Union Act (12
4 U.S.C. 1764(a)) is amended—

5 (1) by striking “Except” and inserting “(1) Ex-
6 cept”;

7 (2) by striking “by a two-thirds vote of the
8 members of a Federal credit union present at a spe-
9 cial meeting called for the purpose, but only after
10 opportunity has been given him to be heard” and in-
11 serting “for cause pursuant to a policy adopted by
12 a majority vote of a quorum of the directors of the
13 Federal credit union and provided in written or elec-
14 tronic form to all members of the Federal credit
15 union”; and

16 (3) by adding at the end the following:

17 “(2)(A) Any member expelled pursuant to this para-
18 graph shall—

19 “(i) be provided with written or electronic no-
20 tice of the reason for the expulsion; and

21 “(ii) be given an opportunity to request rein-
22 statement of membership and have the request con-
23 sidered at a meeting of the board of directors, in a
24 timely manner after the expulsion.

25 “(B) Nothing in this paragraph may be construed to
26 require a board of directors to allow an expelled member

1 to address the board in person or attend the meeting de-
2 scribed in subparagraph (A)(ii) in person.

3 “(3) In this subsection, the term ‘cause’ includes—

4 “(A) a loss to the Federal credit union;

5 “(B) a violation of the membership agreement
6 of the Federal credit union;

7 “(C) a disruption to the operations of a Federal
8 credit union; and

9 “(D) fraud, attempted fraud, other illegal be-
10 havior, or inappropriate behavior, as defined by the
11 policy described in paragraph (1), such as physical
12 or verbal abuse of Federal credit union members or
13 staff.”.