**BYLAWS OF**

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

**ARTICLE 1. NAME AND PURPOSE**

1. **Name**. The name of this Credit Union is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Credit Union.
2. **Purpose**. The Credit Union is chartered and organized under the Idaho Credit Union Act ("Act") as a cooperative non-profit corporation, to provide an opportunity for its members to use and control their own money in order to improve their economic and social condition, to promote thrift at a reasonable rate of return and provide a source of credit at fair and reasonable rates of interest to those members included in the common bond.
3. **Definitions.** When used in these bylaws, the terms:

“Act” means the Idaho Credit Union Act.

“Board” or “Board of Directors” means the board of directors of the credit union.

“Director” means the Director of the Idaho Department of Finance.

“Immediate Family” means a spouse, parent, grandparent, child, grandchild, sibling, stepparent, stepchild, stepsibling, step grandparent, or grandchild, including adoptive relationships and persons who are in a relationship in the same residence maintaining a single economic unit.

**ARTICLE 2. QUALIFICATION FOR MEMBERSHIP**

1. **Field of Membership**. The field of membership of this credit union shall be limited to: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. **Eligibility**. In order for an applicant to join the Credit Union, the applicant must:
	* + Meet the membership requirements of Section 1;
		+ Hold one (1) or more shares in the Credit Union (Membership Share);
		+ Pay the Credit Union’s membership fee, if applicable;
		+ Not have caused the Credit Union a loss;
		+ Not have been expelled from membership in the Credit Union; and
		+ Complete and sign a membership agreement.
2. **Approval of Membership Applications**. Applicants shall only become members of the Credit Union after meeting the field of membership requirements of Section 1 and eligibility requirements of Section 2, and upon approval by the Credit Union. Each application shall be acted upon by management or persons to whom such authority has been delegated, or the Board of Directors.
3. **Continuation of Membership**. Once a member becomes a member, that member may remain a member until the person or organization chooses to withdraw or is expelled in accordance with the provisions of these bylaws.
4. **Suspension of Services**. The Credit Union may suspend all services to any member, for cause, if a member engages in any of the following activities:
	* + Intimidation, threats, harassment or physical or verbal abuse of Credit Union Board members, committee members, employees, volunteers, or members of the Credit Union. This includes actions while on Credit Union premises or authorized facilities and any communications through use of telephone, mail, email or publication in any media including internet or social media;
		+ Causes or threatens damage to Credit Union property;
		+ Unauthorized use or access of Credit Union property;
		+ Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union or its members; or
		+ Any actions that may cause risk or harm to the Credit Union, its Board, officials and employees.

In the event of a suspension of service, the member will be provided written notification of what accounts or services have been discontinued and the length of the suspension period. Unless the member is in the process of being expelled pursuant to the provisions provided in Article 2, Section 6, of the Bylaws, a member may only remain suspended for a maximum of 60 days, after which time all suspended accounts or services shall be unsuspended.

1. **Member Expulsion**. Within 60 days of suspending a member’s account(s) or services, the Board may consider expelling the member. The Credit Union may expel a member for cause as set forth in Article 2, Section 5, of the Bylaws or for failing to meet obligations to the Credit Union. The Credit Union shall provide written notice to a member of the expulsion action, the reason(s) for expulsion, and the process by which the expelled member may challenge the expulsion and seek reinstatement as a member.

A member challenging an expulsion and seeking reinstatement as a member must submit a written request to the Board within thirty (30) calendar days of the date of the written expulsion notice. The written reinstatement request from the member shall be considered at the next regularly scheduled meeting of the Board of Directors or at a meeting of the Board’s Executive Committee. Decisions made at this meeting shall be final and shall be recorded in the Credit Union’s records. If the member does not submit a written request to challenge the expulsion and seek reinstatement within thirty (30) calendar days of the written expulsion notice, the member shall be expelled after the end of the 30-day period.

The Board Chair or designee shall provide written notification to the member within thirty (30) days of the Credit Union’s decision on whether to reinstate the member.

Amounts paid in on shares or deposited in the Credit Union by a member who has been expelled shall be paid to the member after deducting any amounts due to the Credit Union, as permitted by applicable law. Expulsion does not relieve a member from any outstanding liabilities owed to the Credit Union.

**ARTICLE 3. SHARES**

**Section 1.** **Par value.** The par value of each share shall be $\_\_\_\_\_\_\_ [at least $5.00].

1. **Cap on shares held by one member.** Unless delegated, the Board of Directors shall determine the maximum amount of shares and deposits that a member may hold in the credit union.

**Section 3.** **Time periods for payment and maintenance of membership share.** The credit union will terminate from membership a member who:

* Fails to complete payment of one share within \_\_\_\_\_\_\_\_\_\_ of admission to membership; or
* Fails to complete payment of one share within \_\_\_\_\_\_\_\_\_\_ from the increase in the par value of shares; or
* Reduces the 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 \_\_\_\_\_\_\_\_\_\_ of the reduction.

**Section 4. Transferability.** Members may transfer shares to another member in any form approved by the board. Shares that accrue credits for unpaid dividends retain those credits when transferred.

**Section 5. Withdrawals.** Members may withdraw money paid on shares provided that:

* The Board has the right, at any time, to require members, or a subset of members, to give up to 60 days written notice of intention to withdraw all or part of the amounts they paid in.
* A member delinquent on any loan or obligation to the credit union may not withdraw their shares below the delinquent amount without the written approval of the credit committee or loan officer. This withdrawal restriction also applies if the member is a comaker, endorser, or guarantor of a delinquent loan. Coverage of overdrafts under an overdraft protection policy does not constitute delinquency for purposes of this paragraph.
* The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed.
* The Board can impose a fee for excessive share withdrawals from regular share accounts. By resolution, the Board can set the number of withdrawals not subject to a fee and the amount of the fee subject to regulations relevant to the advertising and disclosure of terms and conditions on member accounts.

**Section 6. Joint accounts and membership requirements.** Select one option.

* OPTION A – Separate account not required to establish membership. Owners of a joint account may both be members of the credit union without opening separate accounts. For joint membership, both owners are required to fulfill all of the membership requirements including each member purchasing and maintaining at least one share in the account and completing the membership card.
* OPTION B – Separate account required to establish membership. Each member must purchase and maintain at least one share in a share account that names the member as the sole or primary owner. Being named as a joint owner of a joint account is not sufficient to establish membership.

**ARTICLE 3. ANNUAL MEMBERSHIP MEETING**

1. **Time of Annual Membership Meeting**. The Credit Union’s annual membership meeting shall be held within the \_\_\_\_\_\_\_\_\_\_ quarter of the year, unless the Board sets another date for the meeting and notifies members as provided in Section 3 of this Article.
2. **Place and Manner of Annual Membership Meeting**. The Credit Union’s annual membership meeting shall be held in such location and manner as the Board prescribes.
3. **Notice of Annual Membership Meeting**. Written notice of the Credit Union’s annual membership meeting shall be distributed to the members at least ninety (90) days prior to the date of the meeting. The notice of the Credit Union’s annual membership meeting shall be provided in person, by mail or electronic means and shall include the time, place and manner of the meeting and the specific member business proposed for the meeting. No other member business will be conducted at the annual meeting unless the members are properly notified of such business.
4. **Quorum**. For the purpose of the annual membership meeting, fifteen (15)members shall constitute a quorum. If no quorum is present, an adjournment may be taken to a date not fewer than ten (10) days or more than twenty (20) days thereafter; and the members present at any such adjournment meeting shall constitute a quorum, regardless of the number present. The same notice must be given for the adjourned meeting as prescribed in Section 3 of this Article for the original meeting, except that the notice must be given at least five (5) days before the date of the meeting as fixed in the adjournment.
5. **Voting**. The Board shall establish a cutoff date for determining those members eligible to vote at the annual meeting. Each member shall have one vote, regardless of the number of member shares held in the Credit Union. However, in order to be eligible to vote at a membership meeting, the member must have reached \_\_\_\_\_\_\_\_\_\_ years of age by the cutoff date. No votes may be cast by proxy. Membership held by organizations or entities other than natural persons shall have one (1) vote, which shall be cast through an agent designated in writing by the organization or entity. The Board will determine the methods of voting including but not limited to: a mail ballot, an electronic ballot, an absentee ballot or a ballot cast at the designated meeting. Unless otherwise required by law, voting on any business matters will be decided by a majority vote of the members who voted on the matter.
6. **Voting Tellers**. The Board may appoint persons who shall act as the Voting Tellers. The Tellers shall be responsible for verifying the identity of each voting member and assuring that each member voting is entitled to vote in accordance with written procedures of the Board. The Tellers shall also be responsible for tallying election or voting ballots and communicating the results of the election to the presiding official of the meeting, or designee. Voting Tellers may be members or employees of the Credit Union.
7. **Items of Business at Annual Meeting.** The order of business at annual meetings of members shall be:

Determination that a quorum is present.

Reading and approval or correction of the minutes of the previous annual meeting of the membership.

Report of the Board of Directors.

Report of the Treasurer or the Chief Management Official.

Report of the Supervisory Committee.

Report of the Credit Committee, if there is one.

Unfinished business.

New business other than elections.

Elections.

Adjournment.

1. **Meeting Procedures**. Annual membership meetings and elections shall be conducted according to the written meeting procedures of the Board and parliamentary procedures described in the current edition of the Democratic Rules of Order. In the event of a conflict, the meeting procedures of the Board shall prevail over any parliamentary procedures.
2. **Destruction of Ballots**. After completion of the election, the Board may approve the destruction of the election ballots after the ballots have been retained for sixty (60) days.
3. **Unforeseen Emergency Extension**. The Board may extend the annual meeting date due to events out of the control of the Credit Union that may impact the health and/or safety of the participants of the meeting. Any proposed extension must be approved by a majority vote of the Board either by email or during a scheduled meeting. Approved extensions cannot be scheduled past the current calendar year and expire at the end of the current calendar year.  The Board can also approve providing fully remote or virtual annual or special membership meetings in lieu of an in-person meeting should the emergency require such potential action for the safety of the Credit Union’s employees and members.  Any such format change to a remote or virtual meeting must be approved by a majority vote of the Board, either by email or during a scheduled meeting. The approved format changes would be limited to the current year’s annual or special membership meetings of the members.

**ARTICLE 4. SPECIAL MEMBERSHIP MEETING**

1. **Initiation of Special Membership Meeting**. A special membership meeting may be called by: (i) the majority of the Board of Directors, (ii) upon written petition signed or similarly authenticated by 2,000 or 10% of the members, whichever is less or (iii) by the majority vote of the Supervisory Committee for the specific purpose to suspend a Board member for cause and for removal pursuant to Article 7, Section 9.
2. **Petition for Special Meetings**. The petition for a special membership meeting must be submitted in writing to the Secretary of the Board. The petition must specifically state the purpose or purposes for which the meeting has been called. The Board shall validate the sufficiency of the petition within thirty (30) days of receipt of a petition. If the special membership meeting is being called for the removal of one or more Board members or Supervisory Committee members, the request shall state the names of the Board members or Supervisory Committee members whose removal is sought.
3. **Time, Place and Manner of Special Membership Meeting**. Within thirty (30) days of receiving a proper request for a special membership meeting, the Board shall prescribe the time, place and manner for the special membership meeting. The special membership meeting shall take place no later than sixty (60) days after the date on which the call is received by the Secretary of the Board.
4. **Notice of Special Membership Meeting**. The Secretary shall notify members of the special membership meeting. Notification of any special meeting shall be distributed at least twenty (20) days prior to the date called for the special membership meeting. The notice of the special membership meeting shall include the purpose for which the special meeting is being called. If the special membership meeting is being called for the removal of one or more Board members or Supervisory Committee members, the notice shall also state the name of the Board members or Supervisory Committee members whose removal is sought. No business other than that specified in the notice shall be transacted at a special membership meeting.
5. **Quorum**. For the purpose of a special membership meeting, fifteen (15) members shall constitute a quorum. If no quorum is present, another meeting shall be called at a date not fewer than ten (10) days or more than twenty (20) days thereafter; and the members present at any such meeting shall constitute a quorum, regardless of the number present. Once a quorum is satisfied for the meeting, the meeting will be deemed to have a quorum throughout the meeting even if the attendance of members falls below the required number during the meeting.
6. **Voting**. The Board shall establish a cutoff date for determining those members eligible to vote at a special meeting. Each member shall have one vote, regardless of the number of member shares held in the Credit Union. However, in order to be eligible to vote at a special membership meeting, the member must have reached \_\_\_\_\_\_\_\_\_\_ years of age by the cutoff date. No votes may be cast by proxy. Membership held by organizations or entities other than natural persons shall have one (1) vote, which shall be cast through an agent designated in writing by the organization or entity. The Board will determine the methods of voting including but not limited to: a mail ballot, an electronic ballot, an absentee ballot or a ballot cast at the designated meeting. Unless otherwise required by law, voting on any business matters will be decided by a majority vote of the members.
7. **Voting Tellers**. The Board may appoint persons who shall act as the Voting Tellers. The Tellers shall be responsible for verifying the identity of each voting member, and assuring that each member voting is entitled to vote in accordance with written procedures of the Board. The Tellers shall also be responsible for tallying election or voting ballots, and communicating the results of the election to the Board Chair. Voting Tellers may be members, employees or contracted service providers of the Credit Union.
8. **Meeting Procedures**. Special Meetings shall be conducted according with written meeting procedures and rules of procedure established by the Board and parliamentary procedure described in theDemocratic Rules of Order. In the event of a conflict, the meeting procedures of the Board shall prevail over any parliamentary procedures.
9. **Destruction of Ballots**. After completion of the election, the Board may approve the destruction of the election ballots after the ballots have been retained for sixty (60) days.

**ARTICLE 5. ELECTION OF BOARD**

1. **Nominating Committees**. At least ninety (90) days prior to the annual membership meeting, the Board Chair shall appoint a Board Nominating Committee. The Nominating Committee shall consist of at least three (3) Credit Union members. No member serving on the Nominating Committee or an immediate family member of such person may be seeking election at the Credit Union. The Nominating Committee shall nominate at least one qualified member for each Board position to be filled at the election and determine that all nominees satisfy all candidate application requirements and qualifications to be a member of the Board of Directors and will accept the position if elected. The Nominating Committee must widely publicize the call for nominations to all members by any medium, including a notice on the credit union’s website, and the committee shall interview each member that meets any qualifications established by the nominating committee. The widely publicized call for nominations shall include the qualifications and requirements to be a member of the Board of Directors.

At least forty-five (45) days prior to the annual membership meeting, the Nominating Committee shall file its nominations with the Board Secretary.

1. **Nomination by Petition**. At least ninety (90) days prior to the annual membership meeting, the Board Secretary shall provide written notification to all members eligible to vote that they may seek nomination to a vacant board position by petition, through the collection of signatures of at least 5% of the members of the Credit Union, with a minimum of 20 members and a maximum of 500 members. The written notice must state the closing date for receiving nominations by petition. The written petition must be submitted to the Credit Union’s Board Secretary at least 45 days before the annual meeting. To be effective, such petitions shall be accompanied by a certificate from the nominee stating they agree to have their name placed in nomination and will serve if elected to office.
2. **Elections**. At least thirty (30) days before the annual meeting, the Board Secretary shall inform the membership of the nominee(s), including nominations from the Nominating Committee and nominations by petition. The election of the Board shall be conducted in conjunction with the annual meeting of members by the voting method and rules of procedure established by the Board for the annual membership meeting. If there is more than one nominee for any position to be filled, the Secretary shall, at least 30 days prior to the annual meeting, cause ballots to be distributed or available to all members of the Credit Union eligible to vote. The Secretary will provide the ballot and voting information as provided in the Board’s written voting procedures. Ballots must be received at or prior to the annual meeting as approved by the Board. The vote will be tallied by the Voting Tellers. The Board Chair or designee will announce the election results at the annual membership meeting.
3. **Election by Plurality Vote**. Elections shall be conducted in accordance with the Board voting procedures. The candidate receiving the greatest number of votes in each position shall be elected. In the event of a tie vote, the Board Chair shall conduct a reasonable run-off election in accordance with Board voting procedures.

**ARTICLE 6. BOARD OF DIRECTORS**

1. **Composition**. The Board of Directors shall consist of \_\_\_\_\_\_\_\_\_\_\_ members. The number of Board members may be changed to an odd number not fewer than five (5) nor more than fifteen (15)by resolution of the Board. No reduction in the number of Board members may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided in these Bylaws. A copy of the resolution of the Board covering any increase or decrease in the number of Board members shall be filed with the Idaho Department of Finance. Except for Board appointments, all Board members shall be elected in accordance with Article 5 of these Bylaws and applicable Board voting procedures. Persons appointed to fill vacancies occurring on the Credit Union Board shall be chosen in accordance with Article 6 and applicable procedures of the Credit Union.
2. **Qualification Requirements**. In order to serve on the Credit Union Board, a member must:
	* + Be a natural person and a member of the Credit Union before taking office and remain a member while serving on the Board;
		+ Satisfy any bonding requirements of the Credit Union;
		+ Be eligible to vote in Credit Union elections and at membership meetings;
		+ Be in good standing at the time of nomination;
		+ Cannot be an employee of the Credit Union or an employee of another financial institution;
		+ Not be an immediate family member of an employee at the Credit Union; and
		+ Acknowledge that, as a Board member, he/she will owe a fiduciary duty to the Credit Union and must discharge the duties of the position in good faith; with the care an ordinarily prudent person in a like position would exercise in similar circumstances; and in a manner the Board member reasonably believes to be in the best interests of the Credit Union.
3. **Terms.**

 3.1 **Term of Office**. Each Board member shall serve a term of one (1) to three (3) years, as the Board shall determine, unless the Board member resigns, dies, or is disqualified or removed under this Article. The terms of office of Board members shall be staggered, with an equal number of Board members elected each year, as far as possible.

 3.2 **Vacancies & Interim Board Members**. If the members of the Credit Union remove a Board member at a special membership meeting, the Credit Union’s Board shall appoint an interim Board member. All vacancies, other than those filled by members at a special membership meeting, shall be filled within a reasonable time with interim Board members appointed by the remaining members of the Board. Except as otherwise provided in the Act, interim Board member shall serve out the term of their predecessor.

 3.3 **Board Expansion**. Interim Board members appointed to fill vacancies created by expansion of the Board will serve until the next annual meeting of members. In the case of a merger between two (2) credit unions, a board member of the merging credit union may continue to serve as a board member of the continuing credit union for a period not to exceed the equivalent of the duration of his or her unexpired term on the board of the merging credit union, provided that the merger agreement approved by the Director of the Idaho Department of Finance and any other appropriate regulator provides for such service on the continuing board with a corresponding expansion in the size of the continuing credit union’s board not to exceed the limits under Section 1 of this Article.

1. **Credit Union Board Officers.**

4.1 **Election of Board Officers**. Within ten (10) days following the Credit Union’s annual membership meeting, the Board shall elect the following Officers of the Board: a Chair, one or more Vice Chairs, a Secretary, and any other Officers the Board deems necessary for transacting the business of the Board of Directors. If more than one Vice Chair is elected, the Board determines their rank as First Vice Chair, Second Vice Chair, and so on. The Board shall notify the Idaho Department of Finance within ten (10) days after such election or appointment. Board Officers shall serve a term of one (1) year and shall continue to hold office until either their successors are elected and qualified, or until death, resignation, or removal.

* 1. **Duties of the Board Officers**.
		+ **Chair.** It shall be the duty of the Board Chair to preside at all membership meetings and meetings of the Board, sign instruments requiring the Chair’s signature, and perform other duties as required by these bylaws.
		+ **Vice Chair**. It shall be the duty of the Vice Chair to perform the duties of the Board Chair in his or her absence, and any other duties prescribed by the Board.
		+ **Secretary**. It shall be the duty of the Secretary to keep a correct record of all meetings of Credit Union members, meetings of the Board, and keep a record of Supervisory Committee reports. The Secretary is required to give notice of all membership meetings in accordance with the manner prescribed by these Bylaws and the Act, and perform any other duties prescribed by the Board.
	2. **Removal of Board Officers**. The Board may take action to remove any Board Officer from their official position for failure to perform the duties under the Act, Articles, or Bylaws after giving the Board Officer reasonable notice and an opportunity to be heard.
	3. **Vacancies and Interim Officers**. In the event of an absence or disability of a Board Officer, the Chair shall appoint a remaining member of the Board to act as an interim Officer. If the absence or disability proves to be permanent, the remaining Board members shall elect a member of the Board to complete the Officer’s term.
1. **Executive Committee**. The Board may appoint an Executive Committee of not fewer than three (3) Board members to serve at its pleasure, to act for it with respect to the Board’s specifically delegated functions. When making delegations to the Executive Committee, the Board must be specific with regard to the committee’ s authority and limitations related to the particular delegation. The Board may also authorize any of the following to act upon membership applications under conditions the Board and these bylaws may prescribe: an executive committee; a membership officer(s) appointed by the Board from the membership, other than a Board member paid as an officer; any assistant to the paid officer of the Board; or any loan officer. No executive committee member or membership officer may be compensated as such.
2. **General Control and Direction**. The Board shall be responsible for the general control and direction of the affairs, funds, and records of the Credit Union. The Board shall:
* Retain the chief executive officer, or equivalent officer, who shall be in charge of the Credit Union’s day-to-day operations, and set the chief executive officer’s compensation. In addition, the Board may designate as many operating officers as it deems necessary for conducting the business of the Credit Union;
* Set the minimum amount of funds in a share account required for membership;
* Establish policies governing the operation of the Credit Union;
* Establish the conditions under which a member may be expelled for cause;
* Approve an annual operating budget for the Credit Union;
* Designate those persons or positions authorized to execute or certify documents or records on behalf of the Credit Union;
* Review the Supervisory Committee’s annual report; and
* Authorize the conveyance of real property and buildings.

In addition, it shall be the duty of the Board to set the strategic direction of the Credit Union, approve the annual business plan, and implement a business continuity plan for the Credit Union. Each Board member shall perform the duties of a Board member in good faith, in a manner the Board member reasonably believes to be in the best interests of the Credit Union, and with the care an ordinarily prudent person in a like position would use in similar circumstances.

1. **Delegation**. Unless delegated, the Board shall:
* Determine the maximum amount of shares and deposits that a member may hold in the Credit Union;
* Set the rate of interest on deposits, including nonmember deposits, and the rate of dividends on shares and authorize the payment of dividends on shares;
* Approve the charge-off of Credit Union losses;
* Determine the investment of surplus funds of the Credit Union in investments permitted by applicable law;
* Fill vacancies on all committees; and
* Authorize the Credit Union to borrow or lend money as needed to carry on the functions of the Credit Union.
1. **Board Meetings**.
	1. **Time, Notice and Manner**. The Board shall meet at a regular meeting at least six (6) times each year, with at least one (1) of those meetings held in each calendar quarter. The date of the regular meetings will be set by the Board. A majority of the total number of Board members shall constitute a quorum. Meetings of the Board may take place in person or via electronic technology. At least one (1) Supervisory Committee member may attend each regular meeting of the Board, excluding any executive sessions. At least 3 days prior to each meeting, the Secretary shall cause the following information to be distributed or electronically made available in a secure manner to each Board member:
		* Minutes of the previous meeting;
		* Reports of officers;
		* Reports of the Executive Committee, Supervisory Committee, or any Board committee;
		* Special orders or matters which have been assigned priority; and
		* Any written information on unfinished business or new business that has been given to the Chair or Secretary by any Board member.
	2. **Action at a Meeting**. All actions at a meeting considered by the Board shall be made by a majority of the Board members acting upon a particular matter, unless required by the Act. All actions at a meeting shall be recorded in minutes of the meeting. For any Board member that is absent from a Board meeting, the Board meeting minutes shall also document whether the absent Board member is excused by the Board, or unexcused.
	3. **Registering Dissent.** A Board member who is present at a Board meeting at which action is taken shall be presumed to have assented to such action unless his or her dissent or abstention shall be entered in the minutes of the meeting or unless he or she shall file a written dissent or abstention to such action with the Secretary for the meeting before or immediately after adjournment. A Board member who receives notice of an action to be taken without a meeting shall not be presumed to assent or dissent by any failure to vote on the matter.
	4. **Action without a Meeting**. The Board may take action on a matter, without a meeting by electronic voting, if the request for action is provided to all members of the Board. An action shall be approved if a majority of the Board approves the action. The action shall be recorded by one or more consents describing the action taken, executed by each Board member and included in the Board meeting records.
2. **Disqualification and Suspension of Board Members.**
	1. **Disqualification by Operation of Law**. Members of the Board shall no longer be qualified to serve in their position by operation of law under the following circumstances:
		* Should a Board member cease to be a member of the Credit Union;
		* Should a Board member cause the Credit Union to incur a financial loss;
		* Should a Board member fail to meet any requirements for bondability; or
		* Should a Board member fail to satisfy the meeting attendance requirements under the Act.
	2. **Termination by the Board.** The Board may terminate a Board member if the Board determines that a Board member meets any of the disqualification parameters provided in Section 9.1 of this Article or has failed to meet the qualifications or requirements of a Board member in Section 2 of this Article. Prior to the Board’s termination of a Board member, the Board shall permit the Board member an opportunity to be heard.
	3. **Suspension by Supervisory Committee**. The Supervisory Committee may suspend a Board member pursuant to Article 7, Section 9.
	4. **Suspension by the Board**. Members of the Board may be suspended from their position by the Board for cause until a special member meeting is called for that purpose, which shall be held within ninety (90) days after such suspension. For cause shall mean demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities which, in the judgment of the Board, create a material risk to the Credit Union. Prior to any suspension, the Board may provide the Board member an opportunity to be heard. Only the members may remove a suspended Board member.
3. **Reimbursement of Expenses**. Board members may be reimbursed for reasonable, actual expenses incurred during the performance of their duties in accordance with a policy established by the Board.

**ARTICLE 7. SUPERVISORY COMMITTEE**

1. **Composition**. The Supervisory Committee shall consist of *\_\_\_\_\_\_\_\_\_\_\_\_*[at least three (3)] natural persons, who shall be members of the Credit Union and appointed by the Board. No more than one (1) Board member may be a member of the Supervisory Committee at the same time. No Board Officer may serve as the Chair of the Supervisory Committee. No operating officer or employee may serve on the Supervisory Committee. No member of the Supervisory Committee may serve on the Credit Committee, if applicable, while serving on the Supervisory Committee. Each year, the Supervisory Committee shall elect a Chair, Vice Chair, and Secretary from among the Committee members. The Secretary of the Supervisory Committee prepares, maintains, and has custody of full and correct records of all actions taken by the committee.
2. **Qualification.** In order to serve on the Supervisory Committee, a member must:
	* + Be a natural person and a member of the Credit Union prior to taking office;
		+ Satisfy the bonding requirements of the Credit Union;
		+ Be eligible to vote in Credit Union elections and at membership meetings;
		+ Be in good standing at the time of nomination;
		+ Cannot be an employee of another financial institution; and
		+ Not be an immediate family member of an employee at the Credit Union.
3. **Supervisory Committee Member Terms.**

3.1 **Term of Office**. Each Supervisory Committee member shall serve a term of one (1) to three (3) years, unless the Committee member resigns, dies, or is disqualified or removed under this Article. Each Supervisory Committee member’s term of office shall be staggered, with an equal number of members elected each year, as far as possible.

3.2 **Vacancies and Interim Committee Members.** All vacancies on the Supervisory Committee shall be filled by Interim Committee Members appointed by the Board. Interim Supervisory Committee members shall serve out the term of their predecessor.

1. **Meetings**. The Supervisory Committee shall meet at least quarterly, with the date of the regular meetings to be set by the Committee. A majority of the total number of Committee Members shall constitute a quorum. Meetings of the Supervisory Committee may take place in person or via electronic technology.
2. **Action at a Meeting**. All actions at a meeting considered by the Supervisory Committee shall be made by a majority of the Committee members acting upon a particular matter, unless required by the Act. All actions at a meeting shall be recorded in minutes of the meeting. For any Supervisory Committee member that is absent from a Supervisory Committee meeting, the committee meeting minutes shall also document whether the absent Supervisory Committee member is excused by the committee, or unexcused.
3. **Registering Dissent.** A Committee member who is present at a meeting at which action is taken shall be presumed to have assented to such action unless his or her dissent or abstention shall be entered in the minutes of the meeting or unless he or she shall file a written dissent or abstention to such action with the Chair for the meeting before or immediately after adjournment. A Committee member who receives notice of an action to be taken without a meeting shall not be presumed to assent or dissent by any failure to vote on the matter.
4. **Action without a Meeting**. The Supervisory Committee may take action on a matter without a meeting, by electronic voting, if the request for action is provided to all members of the Supervisory Committee. An action shall be approved if a majority of the Supervisory Committee approves the action. The action shall be recorded by describing the action taken, executed by each Committee member and included in the Supervisory Committee meeting records.
5. **Powers & Duties**. The Supervisory Committee shall have the powers and shall perform the specific duties as set forth in the Act, and federal law including:
	* + Keep fully informed of the financial condition of the Credit Union and the decisions of the Credit Union’s Board;
		+ Perform or arrange for an annual audit of the Credit Union’s financial statements and provide any related findings and recommendations to the Board;
		+ Make or cause to be made a verification of member’s accounts;
		+ Review or arrange to have reviewed annually the effectiveness of the Credit Union’s internal controls;
		+ Report its findings and recommendations to the Board;
		+ Provide an annual written report to members at each annual membership meeting on the Credit Union’s financial condition;
		+ Perform or arrange for additional audits as requested by the Board or management or as deemed necessary by the Supervisory Committee and provide any related findings and recommendations to management or the Board as deemed appropriate by the Supervisory Committee;
		+ Monitor the implementation of management responses to material adverse findings in audits and regulatory examinations;
		+ Implement a process for the Supervisory Committee to receive and respond to whistleblower complaints; and
		+ Any additional duties as specified by the Board.
6. **Authority to Suspend Board Members**. The Supervisory Committee may suspend a member or members of the Board for cause, until a membership meeting is held in accordance with Article 4 of these Bylaws. Prior to any suspension the Supervisory Committee may provide the Board member an opportunity to be heard. Only the Credit Union members may remove a suspended Board or Committee member. For purposes of this Section, the term "for cause" includes demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities which, in the judgment of the Supervisory Committee create a material risk to of the Credit Union.
7. **Disqualification & Suspension of Supervisory Committee Members**.
	1. **Disqualified by Operation of Law**. Members of the Supervisory Committee shall be disqualified from serving their position by operation of law should the Supervisory Committee member cease to be a member of the Credit Union; fail to meet attendance requirements under the Act; or fail to meet the requirements for bondability.
	2. **Suspension by the Board**. Members of the Supervisory Committee may be suspended from their position by the Board for cause until the next member meeting, which shall be held within ninety (90) days after such suspension. For cause shall mean demonstrated financial irresponsibility, a breach of fiduciary duty to the Credit Union, or activities which, in the judgment of the Board, create a material risk to the Credit Union. Only the members may remove a suspended Supervisory Committee member.
8. **Reimbursement of Expenses**. Supervisory Committee members may be reimbursed for reasonable, actual expenses incurred during the performance of their duties in accordance with a policy established by the Board.

**ARTICLE 8. OPTION 1. CREDIT COMMITTEE**

**Section 1. Credit committee members.** The credit committee consists of \_\_\_\_\_\_\_\_ members. All the members of the credit committee must be members of the Credit Union. The Board appoints and determines the number of members on the credit committee, which must be an odd number and may not be fewer than 3 and no more than 7. No member of the credit committee may serve as a member of the Board of Directors or supervisory committee while serving as a member of the credit committee. The board may not reduce the number of members unless there is a corresponding vacancy as a result of a death, resignation, expiration of a term of office, or other action provided by these bylaws. The Board must file a copy of the resolution covering any increase or decrease in the number of committee members with the official copy of the bylaws of this credit union.

**Section 2.** **Terms of office.** Regular terms of office for elected credit committee members are for periods of either 2 or 3 years as the board determines. All regular terms are for the same number of years and until the election and qualification of successors. The Board will fix the regular terms at the beginning or upon any increase or decrease in the number of committee members so that approximately an equal number of regular terms expire at each annual meeting. The Board determines the periods for the regular terms of office for appointed credit committee members and records these periods in the board's minutes.

**Section 3.** **Officers of credit committee.** The credit committee chooses from their number a chair and a secretary. The secretary of the committee prepares and maintains full and correct records of all actions taken by it. They must prepare those records within 3 days after the action. The same person may hold the offices of the chair and secretary.

**Section 4.** **Credit committee powers.** The credit committee may, upon approval by the board, appoint one or more loan officers to act under the supervision of the credit committee, and a loan officer, when appointed, may make loans without the necessity for a meeting or of approval by any members of the credit committee. The committee may delegate to them the power to approve loan applications, share withdrawals, releases and substitutions of security, within limits specified by the committee and within limits of applicable law and regulations. No more than one (1) member of the credit committee may serve in the position of loan officer. Each loan officer must furnish to the committee a record of each approved or not approved transaction within 7 days of the date of the filing of the application or request. This record becomes a part of the committee's records. The committee must act on all applications or requests not approved by a loan officer. No individual shall have authority to disburse funds of the credit union for any loan that has been approved by him in his capacity as loan officer, except that the loan officer may disburse loans approved by him that are fully secured by shares or that do not exceed the credit union's unsecured loan limit set by the Board of Directors.

**Section 5.** **Credit committee meetings.** The credit committee shall meet as often as necessary and at least once each month to review delinquent loans. The credit committee shall keep a record of all actions taken at each meeting and shall submit a written report to the members at the annual meetings and to the board monthly.

**Section 6.** **Credit committee duties.** For each loan, the credit committee or loan officer must review the character and financial condition of the applicant and their surety, if any. The credit committee or loan officer will ascertain the applicant's ability to fully and promptly repay the loan. The credit union may use an automated loan processing system to conduct this review, subject to the conditions set forth in Section 7, below. Where appropriate, the credit committee or loan officers should provide, or refer applicants to, financial counseling assistance.

**Section 7.** **Unapproved loans prohibited.** The credit committee must approve all loans. If the credit union uses an automated lending system, the credit committee must review all loan applications the system has denied and review at least a sample of approved loans to screen for fraud and ensure the automated system is functioning within the lending policies the board has established.

**Section 8.** **Lending procedures.** The credit committee, loan officer, or automated system determines the required security, if any, and the terms of repayment for each application. All lending decisions and loan terms must comply with applicable law and regulations, these bylaws, and board policy. The security furnished must be adequate in quality and character as well as consistent with sound lending practices. When the credit union does not have the funds available to make all the loans requested, the credit committee should give preference, in all cases, to the smaller applications if the need and credit factors are nearly equal.

**ARTICLE 8. OPTION 2. LOAN OFFICERS (NO CREDIT COMMITTEE)**

**Section 1. Records of loan officer; prohibition on loan officer disbursing funds.** Each loan officer must maintain a record of each approved or not approved transaction within 7 days of the filing of the application or request. This record then becomes a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal that the individual has approved as a loan officer.

**Section 2.** **Loan officer duties.** For each loan, the loan officer must review the character and financial condition of the applicant and their surety, if any. The loan officer will ascertain the applicant's ability to fully and promptly repay the loan. The Credit Union may use an automated loan processing system to conduct this review, subject to the conditions set forth in Section 3, below. Where appropriate, the loan officer should provide, or refer applicants to, financial counseling assistance.

**Section 3.** **Prohibited loans.** Loan terms and rates must comply with applicable law and regulations. If the credit union uses an automated lending system, the loan officer must review all loan applications the system has denied, and review at least a sample of approved loans to screen for fraud and ensure the automated system is functioning within the lending policies the board has established.

**Section 4.** **Lending procedures.** The loan officer or automated lending system determine the required security, if any, and the terms of repayment for each application. All lending decisions and loan terms must comply with applicable law and regulation, these bylaws, and board policy. The security furnished must be adequate in quality and character as well as consistent with sound lending practices. When the credit union does not have the funds available to make all the loans requested, the loan officer should give preference, in all cases, to the smaller applications if the need and credit factors are nearly equal.

**ARTICLE 9. LOANS**

**Section 1. Loan purposes.** Loans shall be made only to members, under policies established by the Board. A person that is not a member of the credit union may serve as a co-borrower or guarantor on a loan to a member of the Credit Union. Each loan must be evidenced by records adequate to support enforcement or collection of the loan and any review of the loan by the Director.

**Section 2. Non-preferential Treatment.**  The Credit Union shall not extend credit to a Board member, executive officer, supervisory committee member, or credit committee member unless the extension of credit is made on substantially the same terms as those prevailing at the time for comparable transactions by the Credit Union with members generally. “Executive officer” means a person who participates or has authority to participate in policymaking functions of the Credit Union. A Board member, executive officer, supervisory committee member, or credit committee member may not participate in approving or disbursing a loan in which the Board member, executive officer, supervisory committee member, or credit committee member has a direct or indirect financial interest.

This section shall not prohibit any extension of credit made pursuant to a benefit or compensation program adopted by the Board of Directors that:

* Is widely available to employees of the credit union; and
* Does not give preference to any Board member, executive officer, supervisory committee member, or credit committee member over other employees of the Credit Union.

**ARTICLE 10. BOARD COMMITTEES**

1. **Formation of Board Committees**. The Board may create Board committees as it deems necessary. The duties and scope of responsibilities of any such Committees shall be set by the Board upon formation and may be dissolved at anytime by the Board. The Chair will appoint credit union members to the committees.
2. **Qualification**. In order to qualify to serve on a Board Committee, a member must meet any qualifications and requirements as may be determined by the Board.
3. **Term and Removal.** Unless otherwise specified by the Board, each Committee member shall serve a term of one (1) year. Any Committee Member may be removed by majority vote of the Board at any time. Any Committee Member may be suspended by unanimous vote of the Supervisory Committee for cause.
4. **Meetings**. A Board committee shall meet at such times as determined by resolution of the Board of Directors or by resolution of the Committee.
5. **Expenses**. Members of a Board Committee may be reimbursed for reasonable expenses incurred during the performance of their duties in accordance with a policy established by the Board.

**ARTICLE 11. INDEMNIFICATION; LIMITATION OF LIABILITY**

1. **Mandatory Indemnification**. The Credit Union shall indemnify a Board member in accordance with this Article and the Idaho Business Corporation Act (IC 30-29-852) who is or was a party to a proceeding by reason of being or having been a Board member of the Credit Union. The Credit Union shall indemnify such person against expenses (including attorney’s fees) actually and reasonably incurred by him or by her in connection therewith to the extent that such person was wholly successful, on the merits or otherwise, in the defense of such a proceeding.
2. **Discretionary Indemnification**. In all cases except those set forth in Section 1 above, indemnification of any current and former Board members shall be subject to the discretion of the Board. The Credit Union may indemnify current and former Board members against expenses (including without limiting the generality of the foregoing, attorney’s fees, costs, and amounts paid as fines) actually and reasonably incurred by such person in the defense, compromise, or settlement of any claim, or any actual or threatened action, suit, or proceeding including proceedings before an administrative agency, civil or criminal, in which such person is, was, or may be made a party by reason of being or having been a Board member, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Credit Union, and with respect to any criminal action or proceeding, had no reasonable cause as determined by the Board to believe his or her conduct was unlawful.
3. **Advance for Expenses**. The Credit Union may pay for or reimburse the reasonable expenses incurred by a Board member who is a party to a proceeding in advance of final disposition of the proceeding if:
	1. The individual furnishes the Credit Union a written affirmation of that person’s good faith belief that the conduct of said individual was in good faith and that the individual reasonably believed that the conduct was in the best interest of the Credit Union or not opposed to its best interest and in the case of the criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful; and
	2. The individual furnishes the Credit Union a written undertaking, executed personally or on the individual’s behalf, to repay the advance if it is ultimately determined that the individual is not entitled to indemnification.
4. **Board Determination to Pay Expenses**. A determination to pay for or reimburse reasonable expenses in advance shall be made by the Board by a majority vote of a quorum consisting of Board members not at the time parties to the proceeding; if a disinterested quorum cannot be obtained, then by special legal counsel selected by a majority vote of the full Board, including Board members who are parties to the proceeding.
5. **No Limitations**. The provisions of this Article for indemnification and advance of expenses are not deemed to be a limitation on any indemnification, insurance, or other rights by the Credit Union’s current Board members and former Board members.
6. **Limitation of Liability**. An official is not liable for any action taken as a Board member, or any failure to take any action, if the Board member performed the duties of the Board member’s office in compliance with § 26-2114B of the Act. An official is not acting in good faith if the official has knowledge concerning the matter in question that makes reliance otherwise permitted by §26-2114B(2) of the Act unwarranted. The term “official” means a member of the board of directors, board officer, supervisory committee member, or senior operating officer of the credit union. Any repeal or modification of this section shall not affect any right or protection of a person existing at the time of such repeal or modification.

**ARTICLE 12. MISCELLANEOUS PROVISIONS**

1. **Bondability**. The Credit Union shall purchase a blanket fidelity bond that covers against loss caused by fraud and dishonesty, and meets the minimum coverage requirements of the Act § 26-2156. The fidelity bond shall cover each member of the Board of Directors, employees, Supervisory Committee, and any other Board-appointed committee.
2. **Availability of Bylaws and Policies**. The Credit Union shall make a copy of these Bylaws available to any member upon request.
3. **Conformity**. Any section or provision of these Bylaws in conflict with the laws of the State of Idaho or the laws of the United States is disregarded to conform to law.

**Section 4. Confidentiality.** The Board of Directors, members of all committees, and employees of this Credit Union must hold in confidence all transactions of this Credit Union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

**ARTICLE 13. AMENDMENT**

These Bylaws may be amended by the affirmative vote of a majority of the Board. Each amendment shall be submitted to the Director for approval following the affirmative vote of the members of the Board. Bylaw amendments shall become effective upon approval by the Director.

**CERTIFICATION OF SECRETARY**

The undersigned Officer hereby certifies that the foregoing Bylaws were adopted at a meeting of the Credit Union’s Board of Directors held on the date below.

Dated:

Secretary

Bylaws approved and filed in the Idaho Department of Finance, 20\_\_.

Director, Idaho Department of Finance

State of Idaho )

 )ss.

County of )

 On the day of , 20 , before me, a notary public, personally appeared , personally known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public

Commission Expires: