Credit Unions—Credit Committees, Loans; SB 263

SB 263 makes several amendments to the laws governing credit unions. Among the amendments, the bill:

- Deletes the requirement that the bylaws state the manner of appointment or election of the credit committee, and instead states that if the bylaws provide for a credit committee, the committee may be appointed by the board of directors or elected by the members of the credit union;
- Clarifies the suspension procedures under KSA 17-2208 (members of the credit and supervisory committees for failure to perform their duties). Any person suspended is given the right to appear and be heard at the next meeting of the members of the credit union;
- Eliminates the requirement that a credit union use a credit committee only for the approval of every loan or advance of the credit union. The bill instead authorizes the credit committee, credit manager, or loan officer to have the general supervision of all loans to members; and
- Provides that any person who is denied a loan by the credit committee, credit manager, or loan officer will have the right to appeal the decision to the board of directors (if the credit union's bylaws allow for such appeal).

The bill also requires a two-thirds, rather than a unanimous, vote by the supervisory committee to suspend any officer of the credit union, member of the credit committee, or member of the board of directors. Any person suspended will have the right to appear and be heard at the next meeting of the members of the credit union.