



IDAHO CREDIT UNION ACT

2018 INTERNAL GOVERNANCE MODERNIZATION

BACKGROUND

After extensive statute review by the Idaho Credit Union - State Issues Working Group, our team has identified several areas of the Idaho Credit Union Act that are in need of modernization and update. Following board direction, the NWCUA Advocacy team has been working closely with the leadership of the Idaho Department of Finance (DoF) to identify and propose common sense updates to the Idaho Credit Union Act, which can be presented to the legislature for consideration, over the course of the next few years. RS 25963 is our initial targeted update proposed for the Idaho Credit Union Act during the 2018 Session of the Idaho Legislature. This draft specifically focuses on the internal governance of Idaho credit unions and includes the following proposed statute updates:

Reorganization and Clean Up of Current Code

The legislation provides a general reorganization and update of current governance code sections.

Meeting Requirements and Member Voting Update

- Establishes broader member voting mechanisms with the introduction of technology.
- Updates the location of credit union annual membership meetings to allow greater access for members.
- Puts specific requirements and limitations for reasons that time-intensive and costly special membership meetings may be called.

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HIGHLIGHTS INCLUDE

Reorganization and Clean Up of Current Code

Meeting Requirements and Member Voting Update

Board of Directors Update

Supervisory Committee Update

Bond Coverage Update



Board of Directors Update

- Adds a limit on the overall size of the board of directors to ensure efficient governance.
- Reduces the number of required board meetings from monthly (12) to six meetings but provides leeway for additional meetings to be required.
- Streamlines board duties and allows for greater delegation of duties by the board, which aligns with modern practices.

Supervisory Committee Update

Streamlines the Supervisory Committee (SC) duties putting more of an emphasis on the audit role.

Bond Coverage Update

Provides an update to the bond requirements for each credit union to insure against risk, which must be reviewed by the credit union board annually.

NEXT STEPS FOR IDAHO CREDIT UNION ADVOCATES

- Reach out to your local legislators and express your support for our Idaho Credit Union Act modernization.
- Respond to NWCUA Calls to Action, and provide grassroots outreach to your legislators in support of Idaho Credit Union Act update efforts in RS 25963.