

**AMENDMENT TO RULES COMMITTEE PRINT 117-**

**35**

**OFFERED BY MS. DELAURO OF CONNECTICUT**

Strike division M.

Page 1892, beginning on line 23, strike “(as amended by Public Law 117–86)”.

Page 1892, line 24, strike “March 11, 2022” and insert “March 15, 2022”.

Page 1901, line 10, strike “Section 1834(m)(4)(C)” and insert “Section 1834(m)”.

Page 1901, line 11, strike “42 U.S.C. 1395m(m)(4)(C)” and insert “42 U.S.C. 1395m(m)”.

Strike division T and insert the following:

**1 DIVISION T—CREDIT UNION**  
**2 GOVERNANCE MODERNIZA-**  
**3 TION ACT**

**4 SEC. 101. SHORT TITLE.**

**5** This division may be cited as the “Credit Union Gov-  
**6** ernance Modernization Act of 2022”.

1 **SEC. 102. EXPULSION OF FEDERAL CREDIT UNION MEM-**  
2 **BERS FOR CAUSE.**

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

5 (1) in subsection (a)—

6 (A) by striking “subsection (b)” and in-  
7 serting “subsections (b) and (c)”; and

8 (B) by striking “him” and inserting “to  
9 the member” ;

10 (2) by redesignating subsection (c) as sub-  
11 section (d);

12 (3) by inserting after subsection (b) the fol-  
13 lowing:

14 “(c) EXPULSION FOR CAUSE.—

15 “(1) IN GENERAL.—Except as provided in sub-  
16 sections (a) and (b) of this section, a member may  
17 be expelled for cause by a two-thirds vote of a  
18 quorum of the directors of the Federal credit union  
19 pursuant to a policy which the National Credit  
20 Union Administration Board shall adopt, pursuant  
21 to a rulemaking, not later than the end of the 18-  
22 month period following the date of enactment of the  
23 Credit Union Governance Modernization Act of  
24 2022.

25 “(2) DISTRIBUTION OF POLICY TO MEMBERS.—

26 A Federal credit union may not expel a member pur-

1       suant to this subsection unless the Federal credit  
2       union has provided, in written or electronic form, a  
3       copy of the policy adopted by the National Credit  
4       Union Administration Board under paragraph (1) to  
5       each member of the Federal credit union.

6               “(3) PROCEDURES.—

7                       “(A) NOTIFICATION OF PENDING EXPUL-  
8                       SION.—If a member will, subject to the policy  
9                       adopted under paragraph (1), be subject to ex-  
10                      pulsion, the member shall be notified in advance  
11                      of the expulsion, along with the reason for such  
12                      expulsion. Such notice shall be provided in per-  
13                      son, by mail to the member’s address, or, if the  
14                      member has elected to receive electronic com-  
15                      munications from the Federal credit union, may  
16                      be provided electronically.

17                     “(B) RIGHT TO A HEARING.—

18                               “(i) IN GENERAL.—A member shall  
19                               have 60 days from the date of receipt of a  
20                               notification under subparagraph (A) to re-  
21                               quest a hearing from the board of directors  
22                               of the Federal credit union.

23                               “(ii) EXPULSION IF NO HEARING.—If  
24                               a member does not request a hearing dur-  
25                               ing the 60-day period described under

1 clause (i), the member shall be expelled  
2 after the end of the 60-day period.

3 “(C) HEARING; VOTE ON EXPULSION.—If  
4 a member requests a hearing during the 60-day  
5 period described under subparagraph (B)(i)—

6 “(i) the board of directors of the Fed-  
7 eral credit union shall provide the member  
8 with a hearing; and

9 “(ii) after such hearing, the board of  
10 directors of the Federal credit union shall  
11 hold a vote in a timely manner on expelling  
12 the member.

13 “(D) NOTICE OF EXPULSION.—If a mem-  
14 ber is expelled under subparagraph (B)(ii) or  
15 (C)(ii), notice of the expulsion of the member  
16 shall be provided to the member in person, by  
17 mail to the member’s address, in written form  
18 or, if the member has elected to receive elec-  
19 tronic communications from the Federal credit  
20 union, may be provided electronically.

21 “(4) REINSTATEMENT.—

22 “(A) IN GENERAL.—A member expelled  
23 under this subsection—

24 “(i) shall be given an opportunity to  
25 request reinstatement of membership; and

1 “(ii) may be reinstated by either—

2 “(I) a majority vote of a quorum  
3 of the directors of the Federal credit  
4 union; or

5 “(II) a majority vote of the mem-  
6 bers of the Federal credit union  
7 present at a meeting.

8 “(B) RULE OF CONSTRUCTION.—Nothing  
9 in this paragraph may be construed to require  
10 that an expelled member be allowed to attend  
11 the meeting described in subparagraph (A)(ii)  
12 in person.

13 “(5) CAUSE DEFINED.—In this subsection, the  
14 term ‘cause’ means—

15 “(A) a substantial or repeated violation of  
16 the membership agreement of the Federal cred-  
17 it union;

18 “(B) a substantial or repeated disruption,  
19 including dangerous or abusive behavior (as de-  
20 fined by the National Credit Union Administra-  
21 tion Board pursuant to a rulemaking), to the  
22 operations of a Federal credit union; or

23 “(C) fraud, attempted fraud, or other ille-  
24 gal conduct that a member has been convicted  
25 of in relation to the Federal credit union, in-

1 cluding the Federal credit union’s employees  
2 conducting business on behalf of the Federal  
3 credit union.”;

4 (4) in subsection (d), as so redesignated—

5 (A) by striking “either subsection (a) or  
6 (b)” and inserting “subsection (a), (b), or (c)”;

7 and

8 (B) by striking “him” and inserting “the  
9 member”; and

10 (5) by adding at the end the following:

11 “(e) NO AUTHORITY TO EXPEL CLASSES OF MEM-  
12 BERS.—An expulsion of a member pursuant to this section  
13 shall be done individually, on a case-by-case basis, and nei-  
14 ther the Board nor any Federal credit union may expel  
15 a class of members.”.

