

§ 1762. Repealed. Pub. L. 105-219, title III, § 301(g)(3), Aug. 7, 1998, 112 Stat. 931

Section, acts June 26, 1934, ch. 750, title I, § 116, formerly § 12, 48 Stat. 1221; Oct. 25, 1949, ch. 713, § 3, 63 Stat. 890; renumbered § 17 and amended Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 634; Pub. L. 91-206, § 2(1), Mar. 10, 1970, 84 Stat. 49; renumbered title I, § 116, and amended Pub. L. 91-468, §§ 1(2), 9, Oct. 19, 1970, 84 Stat. 994, 1017; Pub. L. 95-22, title III, § 305, Apr. 19, 1977, 91 Stat. 52; Pub. L. 95-630, title V, § 502(b), Nov. 10, 1978, 92 Stat. 3681, related to requirement of reserves against losses and authorization of Board to decrease reserve requirement or to require special reserves. See section 1790d(e) of this title.

§ 1763. Dividends

At such intervals as the board of directors may authorize, and after provision for required reserves, the board of directors may declare a dividend to be paid at different rates on different types of shares, at different rates and maturity dates in the case of share certificates, and at different rates on different types of share draft accounts. Dividends credited may be accrued on various types of shares, share certificates, and share draft accounts as authorized by the board of directors. If the par value of a share exceeds \$5, dividends shall be paid on all funds in the regular share account once a full share has been purchased.

(June 26, 1934, ch. 750, title I, § 117, formerly § 13, 48 Stat. 1221; renumbered § 18 and amended Pub. L. 86-354, § 1, Sept. 22, 1959, 73 Stat. 634; Pub. L. 90-188, § 2, Dec. 13, 1967, 81 Stat. 567; renumbered title I, § 117, Pub. L. 91-468, § 1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 93-383, title VII, § 725, Aug. 22, 1974, 88 Stat. 720; Pub. L. 95-22, title III, § 310, Apr. 19, 1977, 91 Stat. 53; Pub. L. 95-630, title V, § 502(b), Nov. 10, 1978, 92 Stat. 3681; Pub. L. 96-221, title II, § 207(b)(10), title III, § 305(c), Mar. 31, 1980, 94 Stat. 144, 147; Pub. L. 97-320, title V, § 524, Oct. 15, 1982, 96 Stat. 1534.)

Editorial Notes

AMENDMENTS

1982—Pub. L. 97-320 substituted “the board of directors may declare” for “the board may declare” and “Dividends credited” for “Dividend credit”, and inserted provision that if the par value of a share exceeds \$5, dividends shall be paid on all funds in the regular share account once a full share has been published.

1980—Pub. L. 96-221, § 207(b)(10), struck out “, pursuant to such regulations as may be issued by the Board,” after “declare”.

Pub. L. 96-221, § 305(c), inserted provisions relating to share draft accounts.

1978—Pub. L. 95-630 substituted “Board” for “Administrator”.

1977—Pub. L. 95-22 substituted “the board may declare, pursuant to such regulations as may be issued by the Administrator, a dividend to be paid at different rates on different types of shares and at different rates and maturity dates in the case of share certificates” for “the board of directors may declare a dividend to be paid from the remaining net earnings” and “accrued on various types of shares and share certificates” for “accrued on shares” and struck out provision that such dividends shall be paid on all paid-up shares outstanding at the end of the period for which the dividend is declared and provision that shares which become fully paid up during such dividend period and are outstanding at the close of the period shall be entitled to a proportional part of such dividend.

1974—Pub. L. 93-383 substituted “At such intervals as the board of directors may authorize” for “Annually, semiannually, or quarterly, as the bylaws may provide”, and “Dividend credit may be accrued on shares as authorized by the board of directors” for “Dividend credit for a month may be accrued on shares which are or become fully paid up during the first ten days of that month”.

1967—Pub. L. 90-188 inserted “or quarterly” after “semiannually” and substituted “ten” for “five”.

1959—Pub. L. 86-354 authorized semiannual dividends, empowered the board of directors to declare them instead of only recommend them, and provided for dividend credit.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-221, title II, § 207(b), Mar. 31, 1980, 94 Stat. 144, provided in part that the amendment made by that section is effective 6 years after Mar. 31, 1980.

Amendment by section 305(c) of Pub. L. 96-221 effective at close of Mar. 31, 1980, see section 306 of Pub. L. 96-221, set out as a note under section 1464 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

§ 1764. Expulsion and withdrawal

(a) Expulsion by two-thirds vote

Except as provided in subsections (b) and (c) of this section, a member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for the purpose, but only after opportunity has been given to the member to be heard.

(b) Expulsion based on nonparticipation

The board of directors of a Federal credit union may, by majority vote of a quorum of directors, adopt and enforce a policy with respect to expulsion from membership based on nonparticipation by a member in the affairs of the credit union. In establishing its policy, the board should consider a member’s failure to vote in annual credit union elections or failure to purchase shares from, obtain a loan from, or lend to the Federal credit union. If such a policy is adopted, written notice of the policy as adopted and the effective date of such policy shall be mailed to each member of the credit union at the member’s current address appearing on the records of the credit union not less than thirty days prior to the effective date of such policy. In addition, each new member shall be provided written notice of any such policy prior to or upon applying for membership.

(c) Expulsion for cause

(1) In general

Except as provided in subsections (a) and (b) of this section, a member may be expelled for cause by a two-thirds vote of a quorum of the directors of the Federal credit union pursuant to a policy which the National Credit Union Administration Board shall adopt, pursuant to a rulemaking, not later than the end of the 18-month period following March 15, 2022.

(2) Distribution of policy to members

A Federal credit union may not expel a member pursuant to this subsection unless the

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

(3) Procedures

(A) Notification of pending expulsion

If a member will, subject to the policy adopted under paragraph (1), be subject to expulsion, the member shall be notified in advance of the expulsion, along with the reason for such expulsion. Such notice shall be provided in person, by mail to the member's address, or, if the member has elected to receive electronic communications from the Federal credit union, may be provided electronically.

(B) Right to a hearing

(i) In general

A member shall have 60 days from the date of receipt of a notification under subparagraph (A) to request a hearing from the board of directors of the Federal credit union.

(ii) Expulsion if no hearing

If a member does not request a hearing during the 60-day period described under clause (i), the member shall be expelled after the end of the 60-day period.

(C) Hearing; vote on expulsion

If a member requests a hearing during the 60-day period described under subparagraph (B)(i)—

(i) the board of directors of the Federal credit union shall provide the member with a hearing; and

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

(D) Notice of expulsion

If a member is expelled under subparagraph (B)(ii) or (C)(ii), notice of the expulsion of the member shall be provided to the member in person, by mail to the member's address, in written form or, if the member has elected to receive electronic communications from the Federal credit union, may be provided electronically.

(4) Reinstatement

(A) In general

A member expelled under this subsection—

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

(ii) may be reinstated by either—

(I) a majority vote of a quorum of the directors of the Federal credit union; or

(II) a majority vote of the members of the Federal credit union present at a meeting.

(B) Rule of construction

Nothing in this paragraph may be construed to require that an expelled member be allowed to attend the meeting described in subparagraph (A)(ii) in person.

(5) Cause defined

In this subsection, the term "cause" means—

(A) a substantial or repeated violation of the membership agreement of the Federal credit union;

(B) a substantial or repeated disruption, including dangerous or abusive behavior (as defined by the National Credit Union Administration Board pursuant to a rulemaking), to the operations of a Federal credit union; or

(C) fraud, attempted fraud, or other illegal conduct that a member has been convicted of in relation to the Federal credit union, including the Federal credit union's employees conducting business on behalf of the Federal credit union.

(d) Liability to credit union

Withdrawal or expulsion of a member pursuant to subsection (a), (b), or (c) of this section shall not operate to relieve the member from liability to the Federal credit union. The amount to be paid a withdrawing or expelled member by a Federal credit union shall be determined and paid in a manner specified in the bylaws.

(e) No authority to expel classes of members

An expulsion of a member pursuant to this section shall be done individually, on a case-by-case basis, and neither the Board nor any Federal credit union may expel a class of members.

(June 26, 1934, ch. 750, title I, §118, formerly §14, 48 Stat. 1221; renumbered §19, Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; renumbered title I, §118, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994; amended Pub. L. 97-320, title V, §525, Oct. 15, 1982, 96 Stat. 1534; Pub. L. 100-86, title VII, §706, Aug. 10, 1987, 101 Stat. 653; Pub. L. 117-103, div. T, §102, Mar. 15, 2022, 136 Stat. 824.)

Editorial Notes

AMENDMENTS

2022—Subsec. (a). Pub. L. 117-103, §102(1), substituted “subsections (b) and (c)” for “subsection (b)” and “to the member” for “him”.

Subsec. (c). Pub. L. 117-103, §102(3), added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 117-103, §102(2), (4), redesignated subsec. (c) as (d) and substituted “subsection (a), (b), or (c)” for “either subsection (a) or (b)” and “the member” for “him”.

Subsec. (e). Pub. L. 117-103, §102(5), added subsec. (e). 1987—Subsec. (a). Pub. L. 100-86, §706(1), substituted “Except as provided in” for “Subject to”.

Subsec. (b). Pub. L. 100-86, §706(2), inserted “and enforce” after “adopt”.

1982—Pub. L. 97-320 designated existing provisions as subsecs. (a) and (c) and added subsec. (b).

§ 1765. Minors

Shares may be issued in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. When shares are issued in trust, the name of the beneficiary shall be disclosed to the Federal credit union.

(June 26, 1934, ch. 750, title I, §119, formerly §15, 48 Stat. 1221; renumbered §20, and amended Pub. L. 86-354, §1, Sept. 22, 1959, 73 Stat. 634; renumbered title I, §119, Pub. L. 91-468, §1(2), Oct. 19, 1970, 84 Stat. 994.)