

## SENATE AMENDMENTS TO SENATE BILL 177

By COMMITTEE ON GENERAL GOVERNMENT, CONSUMER AND SMALL BUSINESS  
PROTECTION

April 14

1 On page 2 of the printed bill, line 5, delete the boldfaced material.

2 Delete lines 8 through 10.

3 After line 22, insert:

4 “(d) If a loan to a director, a member of the credit union’s management team, the chief credit  
5 officer or a member of the credit union’s supervisory or credit committee is not subject to approval  
6 by the board of directors under paragraph (b) of this subsection, after the loan is approved, the loan  
7 must be reported to the board of directors at the next meeting of the board of directors.”

8 After line 34, insert:

9 “(5) A director, a member of the credit union’s management team, the chief credit officer or a  
10 member of the credit union’s supervisory or credit committee may not participate in approving or  
11 disbursing a loan in which the director, member of the credit union’s management team, chief credit  
12 officer or member of the credit union’s supervisory or credit committee has a direct or indirect fi-  
13 nancial interest.”

14 On page 4, delete lines 6 through 10 and insert:

15 “(5) This section permits a credit union chartered under the laws of another state or of the  
16 United States to merge with a credit union chartered under the laws of this state, and a credit union  
17 chartered under the laws of this state to merge with a credit union chartered under the laws of  
18 another state or of the United States, to the same extent that the laws of this state permit two or  
19 more credit unions chartered under the laws of this state to merge.

20 “(6)(a) After the board of directors of a credit union that is chartered in this state has approved  
21 a plan to merge with another credit union, if a member of the credit union opposes the plan to  
22 merge and wishes to inform other members of the credit union of the member’s opposition, the  
23 member may submit a proposed statement of opposition to the credit union and may ask the credit  
24 union to disseminate the statement of opposition to the other members.

25 “(b) If the credit union maintains on the Internet and publicizes to the credit union’s members  
26 a public forum for communications concerning the plan to merge or other issues related to the credit  
27 union, the credit union, within 14 calendar days after receiving the proposed statement of opposition  
28 from the member and subject to paragraph (e) of this subsection, shall publish the statement of op-  
29 position on the public forum.

30 “(c) If the credit union does not make a public forum available on the Internet and if the credit  
31 union received the member’s proposed statement of opposition at least 28 days before the date on  
32 which the members of the credit union are to vote on the plan to merge, subject to paragraph (e)  
33 of this subsection, the credit union shall:

34 “(A) Notify the member, within seven days after receiving the statement of opposition, of:

35 “(i) Any limit, which may not be less than 500 words, that the credit union may impose on the

1 length of the statement of opposition; and

2 “(ii) The estimated reasonable cost to reproduce and mail the statement of opposition as a  
3 stand-alone document or the estimated cost to include the statement of opposition in any informa-  
4 tional or persuasive material concerning the plan to merge that the credit union disseminates to  
5 credit union members. The credit union’s estimate of the cost of including the statement of oppo-  
6 sition in the credit union’s material may not exceed two cents multiplied by the number of the credit  
7 union’s members.

8 “(B) Reproduce and mail the statement of opposition to the credit union’s members or include  
9 the statement of opposition in the credit union’s informational or persuasive materials concerning  
10 the plan to merge, within 10 days after receiving payment of the cost estimated in subparagraph  
11 (A)(ii) of this paragraph, if the member agrees to the limit the credit union imposes on the length  
12 of the statement of opposition and pays the cost at least 14 days before the date on which the  
13 members of the credit union are to vote on the plan to merge.

14 “(d) For purposes of paragraph (c) of this subsection, informational and persuasive material  
15 concerning the plan to merge does not include a notice of the meeting at which the credit union’s  
16 members are to consider the plan to merge, a summary of the merger plan or other items that state  
17 or federal law requires the credit union to send to credit union members.

18 “(e)(A) The credit union shall notify the credit union member within seven days after receiving  
19 the proposed statement of opposition if the credit union declines to disseminate the statement of  
20 opposition because the statement of opposition:

21 “(i) Is false or misleading with respect to a material fact at the time and in light of the cir-  
22 cumstances in which the statement is made;

23 “(ii) Omits a material fact that is necessary for the statement of fact not to be false or mis-  
24 leading;

25 “(iii) Relates to a personal claim or grievance or solicits personal gain by or business advantage  
26 for any party;

27 “(iv) Is not sufficiently related to the credit union’s business or affairs;

28 “(v) Impugns, directly or indirectly, a person’s character, integrity or personal reputation or  
29 without an expressed factual basis charges a person with illegal, improper or immoral conduct; or

30 “(vi) Impugns the stability or soundness of the credit union.

31 “(B) The credit union may decline to disseminate the proposed statement of opposition if the  
32 credit union member does not agree to the limits the credit union imposes on the length of the  
33 statement of opposition or fails within the time limits set in paragraph (c) of this subsection to pay  
34 the cost of mailing the statement or including the statement with the credit union’s informational  
35 or persuasive material concerning the plan to merge.

36 “(C) The credit union may not decline to disseminate the statement of opposition for reasons  
37 other than the reasons identified in subparagraph (A) or (B) of this paragraph.

38 “(f)(A) A credit union member may appeal to the director the credit union’s decision under  
39 paragraph (e)(A) of this subsection not to disseminate the credit union member’s statement of oppo-  
40 sition. An appeal under this paragraph is not a contested case, as defined in ORS 183.310, and a  
41 party to the appeal is not entitled to notice and an opportunity for a hearing under ORS 183.413 to  
42 183.470. As part of the appeal, the credit union member shall provide the director with:

43 “(i) The proposed statement of opposition;

44 “(ii) A statement of reasons for disagreeing with the credit union’s decision under paragraph  
45 (e)(A) of this subsection not to disseminate the statement of opposition; and

1           “(iii) The credit union member’s name, address and telephone number or other contact informa-  
2           tion.

3           “(B) Before issuing an order under this paragraph, the director shall request from the credit  
4           union a statement of reasons for declining to disseminate the proposed statement of opposition. The  
5           director shall consider the credit union member’s proposed statement of opposition and statement  
6           of reasons and the credit union’s statement of reasons and shall arrive at an independent determi-  
7           nation as to whether the credit union correctly declined to disseminate the credit union member’s  
8           proposed statement for the reasons identified in paragraph (e)(A) of this subsection.

9           “(C) The director by order shall uphold the credit union’s decision under paragraph (e)(A) of this  
10          subsection or shall require the credit union to disseminate the credit union member’s proposed  
11          statement of opposition in accordance with the provisions of this subsection. The director’s order is  
12          subject to appeal only as provided in ORS 183.484.”

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