

**HB 2161 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Riley

**Senate Committee On Business and Transportation**

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**Action Date:** 04/26/17  
**Action:** Do pass the A-Eng bill.  
**Vote:** 5-0-0-0  
**Yeas:** 5 - Beyer, Girod, Monroe, Riley, Thomsen  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** Has minimal revenue impact  
**Prepared By:** Patrick Brennan, LPRO Analyst

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**WHAT THE MEASURE DOES:**

Specifies that amendments to credit union bylaws are automatically effective unless disapproved by the Director of the Department of Consumer and Business Services. Provides that a credit union may expel a member who creates undue risk of loss. Repeals the requirement that a credit union board of directors meet at least 10 times each calendar year and grants authority for Director to establish minimum meeting frequency by rule. Changes from January 1, 2013 to January 1, 2017 the date for exercise of powers available to federal credit unions by state credit unions without Director approval.

**ISSUES DISCUSSED:**

- Current process for approval of bylaws
- Two million Oregonians are members of a credit union
- Minor, but substantive, changes to statute

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Credit unions are not-for-profit financial cooperatives that return benefits to their members in the form of lower fees, higher interest rates on savings and checking accounts, and lower interest rates on loans. Credit union members elect directors and officials who establish the operational policies. Approximately 42 percent of Oregonians are members of a credit union.

Under current law, a credit union may amend its bylaws or articles of incorporation after receiving written approval to do so from the Director of the Department of Consumer and Business Services (DCBS). House Bill 2161-A allows bylaws amendments to become effective 30 days following submission to the Director, provided the Director does not disapprove the amendment or require additional information within the 30-day period.

Credit unions may expel members for a variety of stated reasons, such as conviction for a criminal offense or harassment of employees, board members or other members. House Bill 2161-A specifies that creation of undue risk of loss to the credit union is also grounds for expelling a credit union member.

Current law requires credit union boards to meet at least 10 times during each calendar year, with each meeting being in a separate month. House Bill 2161-A eliminates the statutory minimum frequency for credit union board meetings and authorizes the Director of DCBS to establish the meeting frequency by rule.

Credit unions chartered in Oregon may exercise powers available to credit unions or credit unions chartered in other states, as of January 1, 2013, upon written approval of the DCBS Director. House Bill 2161-A resets the trigger date to this parity provision to January 1, 2017.