

17-2219. Expulsion of members, when; procedure; members may withdraw; refund of money paid in. (a) Any member may be expelled from the credit union:

(1) By a 2/3 vote of the members present at any regularly called meeting of the membership; or

(2) in accordance with the provisions of subsection (b), by the board of directors for a member's abuse of member account privileges, a member's act or failure to act which causes financial loss to the credit union, or a member's failure to purchase shares and utilize loan or other services of the credit union. The board of directors shall report the expulsion of a member at the next regularly scheduled members' meeting.

(b) The board of directors of a credit union may adopt a policy with respect to expulsion from membership for any reason set forth in paragraph (2) of subsection (a). If such a policy is adopted, written notice of the policy as adopted and 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 30 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. The board of directors of a credit union shall provide the member with a notice of expulsion from the membership not less than 30 days prior to the effective date of the expulsion. Within the thirty-day period, the member, by written request, may require the board of directors to bring the member's expulsion before the credit union membership at the next regularly scheduled members' meeting. If the member makes such written request, the board of directors' expulsion of such member shall be delayed until the credit union membership votes on such member's expulsion as provided under subsection (a).

(c) A member may withdraw from a credit union, as hereinafter provided, by filing a written notice of such intention. All amounts paid on shares of an expelled or withdrawing member, with any dividends credited to the member's shares to the date of expulsion, or withdrawal, shall be paid to the member, but only as funds become available and after deducting any amounts due to the credit union by the member. All shares of an expelled or withdrawing member, with any interest accrued, shall be paid to the member, subject to 60 days' notice, and after deducting any amounts due to the credit union by the member. The member, when withdrawing shares, shall have no further right in the credit union or to any of its benefits, but such expulsion or withdrawal shall not operate to relieve such member from any remaining liability to the credit union.

History: L. 1929, ch. 141, § 19; L. 1983, ch. 83, § 4; L. 1989, ch. 77, § 2; L. 1993, ch. 26, § 1; July 1.