SB209
172874-4
By Senator Holtzclaw
RFD: Banking and Insurance
First Read: 11-FEB-16
ENROLLED, An Act,

Relating to credit unions; to amend Sections 5-17-2, 5-17-4, 5-17-6, 5-17-7, 5-17-8, 5-17-10, 5-17-11, 5-17-12, 5-17-13, 5-17-19, 5-17-21, 5-17-22, 5-17-42, 5-17-45, 5-17-46, 5-17-47, 5-17-51, 5-17-52, 5-17-54, and 5-17-55, Code of Alabama 1975; to clarify and codify certain powers of credit unions, including, but not limited to, loan purchases, borrowing capacity, mergers, voluntary dissolutions, and other measures to provide parity with products and services offered by federal credit unions; to provide appellate rights for persons affected by a suspension of operation of a credit union; to authorize the Administrator of the Alabama Credit Union Administration to involuntarily merge a credit union into another credit union or another financial institution in certain extenuating circumstances; to modernize the bond provisions covering employees of the Alabama Credit Union Administration by providing that the employees are bonded under the Alabama Division of Risk Management; to provide the Administrator of the Alabama Credit Union Administration with certain investigatory and enforcement powers; and to codify the confidentiality of the conditions and affairs of a credit union.
BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 5-17-2, 5-17-4, 5-17-6, 5-17-7, 5-17-8, 5-17-10, 5-17-11, 5-17-12, 5-17-13, 5-17-19, 5-17-21, 5-17-22, 5-17-42, 5-17-45, 5-17-46, 5-17-47, 5-17-51, 5-17-52, 5-17-54, and 5-17-55, Code of Alabama 1975, are amended to read as follows:

"§5-17-2.

(a) Any seven residents of the State of Alabama For the purposes of this chapter, both a natural person credit union and a corporate credit union are considered a "credit union" unless otherwise indicated.

(b) The following may apply to the Administrator of the Alabama Credit Union Administration for permission to organize a credit union:

(1) For a natural person credit union, any seven residents of the state.

(2) For a corporate credit union, any seven or more individuals each representing different natural person credit unions.

(c) A credit union is organized in the following manner: The applicants shall execute in duplicate a certificate of organization by the terms of which they agree to be bound. The certificate shall state: (1) the name and location of the proposed credit union, (2) the names and addresses of the subscribers to the certificate and the number
of shares subscribed by each, and (3) the par value of the
shares of the credit union. They shall next prepare and adopt
bylaws for the general governance of the credit union
consistent with the provisions of this chapter and shall
execute the same in duplicate. The certificate and bylaws,
both executed in duplicate, shall be forwarded to the
Administrator of the Alabama Credit Union Administration. The
administrator shall, within 30 days of the receipt of said
certificate, not later than 30 days after receiving the
certificate of organization and bylaws and proof of the
issuance of a certificate of insurance for member accounts
from either the National Credit Union Administration or a
private insurance carrier approved in writing by the
administrator, the administrator shall determine whether they
the certificate of organization and bylaws conform with the
provisions of this chapter and whether or not the organization
of the credit union in question would benefit the members of
it and be consistent with the purpose of this chapter.
Thereupon the Administrator of the Alabama Credit Union
Administration shall notify the applicants of his or her
decision. If it is favorable, the administrator shall issue
a certificate of approval, attached to the duplicate
certificate of organization, and return the same, together
with the duplicate bylaws, to the applicants. The applicants
shall thereupon file the said duplicate of the certificate of
organization, with the certificate of approval attached
thereeto, with the judge of probate of the county within which
the credit union is to do business, who shall make a record of
said certificate and return it, along with his certificate of
record attached thereto, to the Administrator of the Alabama
Credit Union Administration for permanent record. Thereupon
Within 180 days, the applicants shall become and be a credit
union, operating with normal business hours to serve its field
or fields of membership and be incorporated in accordance with
the provisions of this chapter. In order to simplify the
organization of credit unions, the Administrator of the
Alabama Credit Union Administration shall cause to be prepared
an approved form of certificate of organization and a form of
bylaws, consistent with this chapter, which may be used by
credit union incorporators for their guidance, and on written
application of any seven residents of the state, shall supply
them without charge a blank certificate of organization and a
copy of said form of suggested bylaws.

"§5-17-4.

"A credit union shall have all of the following
powers:

"(1) To receive the savings of its members either as
payment on shares or as deposits, including the right to
conduct Christmas clubs, vacation clubs and other thrift
organizations within the membership.
"(2) To accept deposits of fiduciary funds if a
member is the beneficiary, trustee, or personal representative
and if the funds are part of the estate of a deceased member.

"(3) To make loans to members.

"(4) To make loans to other credit unions, including
credit union service organizations.

"(5) To purchase loans from financial institutions,
provided a purchased loan is of the nature and type that the
credit union could have originated itself.

"(6) To make loans to a cooperative society or other
organizations having membership in the credit union.

"(6) (7) To deposit funds in state and national
banks, savings and loan associations, the accounts which are
insured by the Federal Savings and Loan Insurance Corporation
or the Federal Deposit Insurance Corporation, and of in other
credit unions.

"(7) (8) To invest in any investment legal for
savings banks federally chartered credit unions or for trust
funds in the state.

"(8) (9) To borrow money from any source not
prohibited by applicable law and to give its note therefor;
provided that the borrowing, in the aggregate, shall not at
any time exceed the lesser of:

"a. 50 percent of its assets; or
"b. The combination of undivided earnings, regular reserves, equity acquired in a merger, net income or net loss not already included in undivided earnings, and shares and deposits.

"(9) (10) To assess each member a recurring or nonrecurring membership fee.

"(10) (11) To exercise incidental powers as necessary to enable it to carry on effectively the purposes for which it is chartered and incorporated and other powers as are expressly authorized by the Administrator of the Alabama Credit Union Administration.

"(11) (b) In addition to any and all other powers heretofore granted to credit unions, any credit union shall have the power to engage in any activity in which the credit union could engage were the credit union operating as a federally chartered credit union, including but not by way of limitation because of enumeration, the power to do any act and own, possess, and carry as assets property of that character including stocks, bonds, or other debentures which, at the time, are authorized under federal laws or regulations for transactions by federal credit unions, notwithstanding any restrictions elsewhere contained in the statutes of the State of Alabama. No credit union can exercise any power which it claims only by virtue of the power being possessed by a
federal credit union if the administrator issues a written
order prohibiting a credit union from exercising that power.

"(c) Notwithstanding any other provision of this
chapter or any other state law, a credit union may offer any
product or service that is authorized or permitted to any
federal credit union as defined in 12 U.S.C. § 1752.

"(d) Notwithstanding any other provision of this
chapter or any other state law, the administrator may
condition the exercise of any power upon terms and conditions
intended to ensure safe and sound operation of a credit union
in the administrator's discretion.

"§5-17-6.

"(a) Any member may withdraw from the credit union
at any time, but notice of withdrawal may be required. All
amounts paid on shares or as deposits of an expelled or
withdrawing member, with any dividends or interest accredited
thereto to the date thereof shall, as funds become available
and after deducting all amounts due from the member to the
credit union, be paid to the individual. The credit union may
require 60 days' notice of intention to withdraw shares and 30
days' notice of intention to withdraw deposits. A credit union
may reserve in its bylaws the right to pay out not more than
one half of its monthly receipts to withdrawing members and
depositors.
"(b) The board of directors may expel a member for cause by a majority vote of a quorum of directors, pursuant to a written policy adopted by the board. For the purposes of this section, cause includes a loss to the credit union, a violation of the membership agreement or any policy or procedure adopted by the board, or inappropriate behavior such as physical, sexual, or verbal abuse of credit union members or staff. All members shall be given provided written notice of such policies. Any person expelled by the board shall have the right to file a written appeal to the board to reconsider the expulsion.

"(c) A credit union may terminate the membership of any member who withdraws his or her shares to less than one par share.

"(d) Persons whose membership has been terminated, whether by withdrawal or expulsion, shall have no further rights in the credit union, but are not released from any obligation owed to the credit union.

"(e) A member who has been expelled may not be readmitted to membership except upon approval by a majority vote of the board after application and proof that the applicant remains within the credit union's field of membership, has adequately explained, addressed, or remedied the conditions leading to expulsion, and will abide by the terms and conditions of membership. Not more than one such
application for readmission may be made within any 12-month
calendar period.
"§5-17-7.
"(a) All state chartered credit unions shall pay an
annual operating fee and, if deemed necessary by the
administrator, an assessment, the exact amount of which shall
be fixed from time to time by the Administrator of the Alabama
Credit Union Administration.
"(b) Except as hereinafter provided, the annual
operating fee set by the administrator shall not exceed the
fee calculated by use of the following scale or the
administrator may authorize payment of the schedule used by
federal credit unions if the administrator determines it to be
appropriate:
"(1) Credit unions having total assets of less than
$500,000.00 shall pay a fee not in excess of $.12 for each
$100.00 of assets, subject to a minimum of $200.00.
"(2) Credit unions with assets of $500,000 but not
in excess of $1,000,000 shall pay a fee of $600 plus $.05 per
$100 of assets over $500,000 but not in excess of $1,000,000;
credit unions with assets of $1,000,000 but not in excess of
$5,000,000 shall pay a fee of $850 plus $.035 per $100 of
assets of $1,000,000 but not in excess of $5,000,000; credit
unions with assets of $5,000,000 but not in excess of
$10,000,000 shall pay a fee of $2,250 plus $.02 per $100 of
assets over $5,000,000 but not in excess of $10,000,000;
credit unions with assets of $10,000,000 but not in excess of
$20,000,000 shall pay a fee of $3,250 plus $.018 per $100 on
assets over $10,000,000 but not in excess of $20,000,000;
credit unions with assets of $20,000,000 but not in excess of
$50,000,000 shall pay a fee of $5,050 plus $.016 per $100 on
assets over $20,000,000 but not in excess of $50,000,000;
credit unions with assets of $50,000,000 but not in excess of
$100,000,000 shall pay a fee of $9,850 plus $.013 per $100 on
assets over $50,000,000 but not in excess of $100,000,000;
credit unions with assets of $100,000,000 or more shall pay a
fee of $16,350 plus $.011 per $100 on all assets over
$100,000,000.

"(3) The annual operating fee for a corporate credit
union shall be set by the administrator and shall not exceed
the above scale.

"(c) Annually, the administrator may fix an annual
operating assessment to ensure that the Alabama Credit Union
Administration does not continue to operate in a deficit for
any given year. The assessment shall be approved by the Credit
Union Board of the Alabama Credit Union Administration. Any
credit union failing to pay the assessment within 30 days of
the notice of assessment may be charged a fine not to exceed
fifty dollars ($50) for each day that the assessment remains
unpaid.
"(d) The annual operating fee shall be paid on or before the last day of January of each year, based upon the assets of the credit union as of the end of the previous year. Any credit union failing to pay the operating fee may be charged a fine not to exceed fifty dollars ($50) for each day that the fee remains unpaid.

"(e) Whenever application is made to the Administrator of the Alabama Credit Union Administration for permission to organize a credit union, the applicant shall at the time of filing the certificate of organization with the Administrator of the Alabama Credit Union Administration pay a fee not to exceed one thousand dollars ($1,000) for the purpose of paying the costs incidental to the determination by the Administrator of the Alabama Credit Union Administration whether such certificate of organization shall be approved. The Administrator of the Alabama Credit Union Administration shall from time to time fix the exact charge to be made, but in no event shall the charge exceed one hundred thousand dollars ($100,000). The provisions of this subsection shall not apply to any existing credit union seeking charter conversion.

"(f) All fees collected under this section shall be paid into the special fund set up by the State Treasurer. This special fund shall be used to pay the salaries of the officials and employees and the expenses of the Alabama Credit
Union Administration including the purchase of equipment, vehicles, and supplies necessary for the examination and supervision of credit unions and may be spent by the Administrator of the Alabama Credit Union Administration for the uses and purposes specified herein. No taxes, fees, assessments, penalties, or other revenues collected by the Alabama Credit Union Administration shall be used for any purpose other than the expenses of operating the Alabama Credit Union Administration.

"(g) All the jurisdiction, authority, powers, and duties now conferred upon and imposed by law upon the Superintendent of Banks and the Supervisor of the Credit Union Bureau in relation to the management, control, regulation, and general supervision of credit unions are hereby transferred to, conferred upon, and imposed upon the Alabama Credit Union Administration and administrator.

"(h) All assets primarily used by the Bureau of Credit Unions, including books, records, documents, furniture, equipment, and supplies are hereby transferred to the Alabama Credit Union Administration. All funds in the special fund previously maintained by the State Treasurer for the Bureau of Credit Unions are hereby transferred to the Alabama Credit Union Administration. All taxes, fees, assessments, penalties, or other revenues owed to or collected by the Bureau of Credit Unions are hereby transferred to the Alabama Credit Union
Administration. Any employee presently employed by the
Superintendent of Banks who is presently primarily involved
with the Bureau of Credit Unions shall be employed by the
Alabama Credit Union Administration.

"§5-17-8.

"(a) Credit unions shall report to the Administrator
of the Alabama Credit Union Administration at least annually
on or before January 31 on blanks supplied in such manner and
form as required by the administrator for that purpose.
Additional reports may be required. Credit unions shall be
examined at least annually by employees of the administrator
or by other persons designated by the administrator. For
failure to file reports when due, unless excused for cause by
the administrator, the credit union shall pay to the State
Treasurer five dollars ($5) for each day of its delinquency.

"(b) If the administrator determines that the credit
union is violating this chapter, or is insolvent, the
administrator may suspend operations of the credit union by
issuing an order requiring that the credit union cease
operations pending a hearing on the revocation of the
certificate of approval, or the administrator may set a date
for a hearing on the revocation of the certificate of approval
without suspending operations of the credit union. If the
administrator suspends operations of the credit union, a
hearing on the revocation of the certificate of authority
shall be held by the administrator if requested within 90 days from the date of the order requiring suspension of operations. If demanded by the credit union, the hearing on revocation of the certificate of authority, whether or not the administrator has suspended operations of the credit union pending the hearing, shall be conducted on the record by the administrator who shall also make findings of fact and a written determination concerning revocation of the certificate of authority. The determination may contain an order requiring that credit union to immediately suspend operations or continue in effect a previous order requiring the suspension of operations. If the determination is that the credit union is violating this chapter, or is insolvent, and that the certificate of authority be revoked, and if, for a period of 15 days after the hearing, any violation continues, the administrator may revoke the certificate and take possession of the business and property of the credit union and maintain possession until the administrator shall permit it to continue business or its affairs are finally liquidated through merger or otherwise.

"(c) The administrator may, with the approval of a majority of the Credit Union Board of the Alabama Credit Union Administration, issue a cease and desist order upon finding that the credit union or any officer, director, committee member, or employee has done any one of the following:
"(1) Committed any violation of a law, rule, or regulation.

"(2) Engaged or participated in any unsafe or unsound practice in connection with the credit union business.

"(3) Engaged in any act, omission, or practice which constitutes a breach of fiduciary duty to the credit union.

"(4) Committed any fraudulent or questionable practice in the conduct of the credit union's business which endangers the credit union's reputation or threatens insolvency.

"(5) Violated any condition imposed in writing by the administrator or any written agreement made with the administrator.

"(6) Concealed, destroyed, removed, falsified, or perjured any book, record, paper, report, statement, or account related to the business and affairs of the credit union.

"Any cease and desist order shall be effective not earlier than 10 calendar days after it is delivered to the credit union. The credit union or any person subject to a cease and desist order shall have 10 calendar days from the receipt of any cease and desist order to appeal to the Credit Union Board of the Alabama Credit Union Administration by serving the administrator with a written notice of appeal within the 10-day period. Upon receipt of a notice of appeal
from the credit union, the effect of the cease and desist
order will be suspended pending a decision upon appeal;
provided that a majority of the Credit Union Board of the
Alabama Credit Union Administration may order that a cease and
desist order be in force and effect pending the decision on
appeal. A hearing of any appeal shall be held before the
Credit Union Board of the Alabama Credit Union Administration
within 60 calendar days of the notice of appeal and the
decision of the Credit Union Board shall be rendered within 30
calendar days after the conclusion of the hearing.

"(d) The Administrator of the Alabama Credit Union
Administration may suspend from office and prohibit further
participation in any manner in the conduct of the affairs of a
credit union of any director, officer, committee member, or
employee who has done any one of the following:

"(1) Committed any violation of a law, rule, or
regulation.

"(2) Engaged or participated in any unsafe or
unsound practice in connection with the credit union business.

"(3) Engaged in any act, omission, or practice which
constitutes a breach of fiduciary duty to the credit union.

"(4) Committed any fraudulent or questionable
practice in the conduct of the credit union's business which
endangers the credit union's reputation or threatens
insolvency.
"(5) Violated any condition imposed in writing by
the administrator or any written agreement made with the
administrator.

"(6) Concealed, destroyed, removed, falsified, or
perjured any book, record, paper, report, statement, or
account related to the business and affairs of the credit
union.

"(7) Unless the administrator directs otherwise, the
prohibition against participation in the conduct of the
affairs of a credit union shall remain effective until it is
rescinded by a vote of the Credit Union Board of the Alabama
Credit Union Administration.

"(e) A person subject to an order issued under
subsection (d) may file an appeal in writing delivered to the
administrator not more than 10 calendar days after the
issuance of the order. Not later than 60 calendar days after
the filing of an appeal, the Credit Union Board of the Alabama
Credit Union Administration shall hold a hearing and not later
than 30 calendar days after the conclusion of the hearing, the
Credit Union Board shall issue a decision. The hearing shall
be confidential.

"(e) (f) The Administrator of the Alabama Credit
Union Administration, with the approval of a majority of the
Credit Union Board of the Alabama Credit Union Administration,
ex parte without notice, may appoint the Alabama Credit Union
Administration as conservator and immediately take possession and control of the business and assets of any state-chartered credit union in any case in which any one of the following occurs:

"(1) The Alabama Credit Union Administration determines that the action is necessary to conserve the assets of any state-chartered credit union or the interests of the members of the credit union.

"(2) A credit union, by resolution of its board of directors, consents to the action by the Alabama Credit Union Administration.

"(3) There is a willful violation of a cease-and-desist order which has become final.

"(4) There is concealment of books, papers, records, or assets of the credit union or refusal to submit books, papers, records, or affairs of the credit union for inspection to any examiner or to any lawful agent of the Alabama Credit Union Administration.

"(f) (g) Not later than 10 calendar days after the date on which the Alabama Credit Union Administration takes possession and control of the business and assets of a credit union pursuant to subsection (f), officials of the credit union who were terminated by the conservator may apply to the circuit court for the judicial circuit in which the principal office of the credit union is located for an order requiring
the administration to show cause why it should not be enjoined
from continuing possession and control. Except as provided in
this subsection, no court may take any action, except at the
request of the Credit Union Board by regulation or order, to
restrain or affect the exercise of powers or functions of the
board as conservator.

"(g) (h) The administrator shall report to the
Credit Union Board of the Alabama Credit Union Administration
at least semi-annually on the condition of the credit unions
in which the administration serves as conservator. Reports
shall contain the following:

"(1) The most recent income statement and balance
sheet of the credit union.

"(2) Actions taken since the last report by the
administrator in its role as conservator of the credit union.

"(3) A detailed report of all expenditures,
reimbursements, and other financial considerations paid out of
the assets of the credit union to the Alabama Credit Union
Administration or its designated agents during
conservatorship.

"(4) A business plan outlining necessary actions and
timetables under which the credit union would remain under
conservatorship.

"(hi) (i) The Alabama Credit Union Administration may
maintain possession and control of the business and assets of
the credit union and may operate the credit union until the

time as the following occurs:

"(1) The administrator shall permit the credit union

to continue business subject to the terms and conditions as

amay be imposed by the Alabama Credit Union Administration.

"(2) The credit union is liquidated in accordance

with the provisions of Section 5-17-21.

"(3) The Credit Union Board of the Alabama Credit

Union Administration votes by a majority of voting members

that the Alabama Credit Union Administration shall relinquish

possession and control of the credit union. Such vote shall be

held on at least a semi-annual basis while the credit union is

held in conservatorship by the Alabama Credit Union

Administration.

"(i) The Alabama Credit Union Administration may

appoint special agents as it considers necessary in order to

assist the administration in carrying out its duties as a

conservator under this section.

"(j) All expenses costs incurred by the

administration in exercising its authority under this section

and Section 5-17-8.1, with respect to including, without

limitation, all expenses and legal fees incurred in exercising

its authority or defending any action taken pursuant to its

exercise of authority, and any appeal by any credit union or
by any director, officer, committee member, or employee thereof shall be paid out of the assets of the credit union.

"(k) (l) The conservator shall have all powers of the members, the directors, the officers, and the committees of the credit union and shall be authorized to operate the credit union in its own name or to conserve its assets in the manner and extent authorized by the administration.

"(l) (m) After taking possession of the property and business of a credit union through conservatorship, the conservator may terminate or adopt any executory contract to which the credit union may be a party. The termination of any contracts shall be made within six months after obtaining the conservator has obtained knowledge of the existence of the contract or lease. Any provision in the contract or lease which provides for damages or cancellation fees upon termination shall not be binding on the conservator or credit union. The directors, the conservator, and the credit union are not liable for damages arising from or relating to such executory contracts.

"(m) (n) The administrator may appoint a temporary board of directors to any credit union subject to conservatorship.

"(o) (1) Notwithstanding any other provision of state law, if the administrator determines that an emergency requiring expeditious action exists with respect to a credit
union, that other alternatives are not reasonably available consistent with National Credit Union Administration precedent, and that the public interest, including the interests of the members of the credit union, would best be served by such action, the administrator may do either of the following:

"a. Initiate the involuntary merger of a credit union that is insolvent or is in danger of insolvency with any other credit union or may authorize a credit union to purchase any of the assets of, or assume any of the liabilities of, any other credit union that is insolvent or in danger of insolvency.

"b. Authorize a financial institution whose deposits or accounts are insured to purchase any of the assets of, or assume any of the liabilities of, a credit union that is insolvent or in danger of insolvency, except that prior to exercising this authority the administrator shall attempt to effect a merger with, or purchase and assumption by, another credit union as provided in paragraph a.

"(2) For purposes of the authority contained in this subsection, insured share and deposit accounts of the credit union, upon consummation of the purchase and assumption, may be converted to insured deposits or other comparable accounts in the acquiring institution, and the administrator and the
insuring organization shall be relieved of any liability to
the credit union's members with respect to those accounts.

"§5-17-10.

"At the annual meeting (the organization meeting
shall be the first annual meeting), members of the credit
union shall elect a board of directors of not less than five
members, may elect a credit committee of not less than three
members, and shall elect a supervisory committee of three
members, all to hold office for such terms respectively as the
bylaws provide and until successors qualify. A record of the
names and addresses of the members of the board and committees
and the officers shall be filed with the Administrator of the
Alabama Credit Union Administration within 10 days of not
later than 10 calendar days after their election. If, however,
the bylaws so provide, the board of directors shall carry out
the functions and duties of the credit committee and or may
appoint a credit committee, in which case the credit union
shall not elect a credit committee.

"§5-17-11.

"(a) At the first meeting and at subsequent times
prescribed in the bylaws, the directors shall elect a
president. The president must be either a member of the board
of directors or an employee of the credit union who is not a
member of the board of directors. If the credit union elects a
president who is not a member of the board of directors, the
board of directors shall elect from their own number a
chairman and one or more vice-chairmen of the board of
directors. The board of directors shall have the power, in
accordance with the bylaws, to remove any officer who is not a
member of the board of directors. At the first meeting and at
subsequent annual meetings prescribed in the bylaws, the
directors shall elect from their own number, a secretary and
treasurer, who may be the same individual. To nominate a
candidate by petition, the petition should conform to the
requirements as specified in the bylaws. The bylaws will state
the number of members required to sign a petition which can be
as few as three members or more as stated in the bylaws. The
For natural person credit unions, the maximum number cannot
exceed the lesser of one percent of the membership or 500
members. For corporate credit unions, the maximum number
cannot exceed the lesser of five percent of the membership or
25 members. Candidates shall be given a minimum of 35 days
from the postmark date to present a petition.

"(b) The duties of the officers shall be as
determined in the bylaws. It shall be the duty of the
directors to have general management of the affairs of the
credit union, particularly:

"(1) To act on application for membership.
"(2) To determine interest rates on loans and on deposits; provided, that such loans shall be at reasonable rates of interest.

"(3) To fix the amount of the surety bond which shall be required of all officers and employees handling money.

"(4) To declare dividends, and to transmit to the members recommended amendments to the bylaws.

"(5) To fill vacancies in the board and in the credit committee until successors are chosen and qualify in accordance with the bylaws of the credit union.

"(6) To determine the maximum individual share holdings and the maximum individual loan which can be made with and without security.

"(7) To have charge of investments other than loans to members.

"(8) To establish the par value of the share.

"(9) In the absence of a credit committee, and upon the written request of a member, review a loan application denied by a loan officer.

"(c) No member of the board or either any committee shall, as such, be compensated. Notwithstanding the foregoing, for their services to the credit union, providing reasonable life, accident, and similar insurance protection shall not be considered compensation. Directors, officers, and committee
members may be reimbursed for necessary expenses incidental to
the performance of the official business of the credit union.

"(d) Liability and indemnification of officers,
directors, trustees, and members of the governing body of a
credit union shall be the same as provided for a qualified
entity nonprofit corporation in Title 10A, the Alabama
Business and Nonprofit Entity Code; provided, however, a
credit union may not indemnify officers, directors, and
members of the governing body of a credit union against
actions brought in connection with willful violations of this
title.

"§5-17-12.

"The credit committee shall have the general
supervision of all loans to members. Applications for loans
shall be on a form prepared by the credit committee and all
applications shall set forth the purpose for which the loan is
desired, the security, if any offered, and such other data as
may be required. Within the meaning of this section, an
assignment of shares or deposits or the endorsement of a note
may be deemed security. At least a majority of the members of
the credit committee shall pass on all loans, and approval
must be unanimous; except, that the credit committee may
appoint one or more loan officers and delegate to him or them
the officer or officers the power to approve loans in
accordance with loan policies approved by the board of
directors of the credit union. Each loan officer shall furnish
to the credit committee a record of each loan approved or not
approved by him within seven days of the date of the filing of
the application thereon. Upon written request of a member, the
credit committee shall review a loan application denied by a
loan officer.

"§5-17-13.

"(a) The supervisory committee shall make or cause
to be made a comprehensive annual audit of the books and
affairs of the credit union and shall submit a report of that
audit to the board of directors and summary of that report to
the members at the next annual meeting of the credit union. It
shall make or cause to be made such supplementary audits or
examinations as it deems necessary or as are required by the
Administrator of the Alabama Credit Union Administration or by
the board of directors and submit reports of these
supplementary audits to the board of directors.

"(b) The supervisory committee shall cause the
accounts of the members to be verified with the records of the
credit union from time to time and not less frequently than
every two years.

"(c) The administrator may define the scope of any
audit and may set out what procedures must be followed for an
audit to qualify as the required annual audit. He may
prescribe procedures to be followed in the verification of
records required not less frequently than every two years.

"(d) Whenever the supervisory committee shall fail
to make a comprehensive annual audit or shall fail to verify
the accounts of members not less frequently than every two
years, the administrator by written order may direct the
supervisory committee to perform these duties within a
reasonable period of time. Upon failure of the committee to
perform these duties as directed by the administrator, the
administrator may employ, an auditor engage, or contract with
a firm with requisite expertise to perform them, and the cost
of such audit shall be borne by the credit union.

"(e) The supervisory committee, by a unanimous vote,
may suspend any officer, director or member of the credit any
committee and call the members together to act on such
suspension within 30 days after such suspension. The members
at said the meeting shall consider such suspension and vote to
either remove such officer, director, or credit committee member of the committee permanently or to reinstate said the
officer, director, or credit committee member of the
committee. By majority vote the supervisory committee may call
a special meeting of the members to consider any matter
submitted to it by such committee. The said committee shall
fill vacancies in its own membership until the next annual
meeting.
"§5-17-19.

(a) Every credit union shall set aside such regular reserves as are required to be set aside by the credit union in order to maintain insurance of member accounts under the provisions of Title II of the Federal Credit Union Act. Additionally, any credit union may be required by the Administrator of the Alabama Credit Union Administration to maintain any special reserves which the administrator finds are necessary under the particular circumstances to protect the interests of the members.

(b) Any credit union hereafter organized under this chapter shall be prohibited by the Administrator of the Alabama Credit Union Administration from beginning the active conduct of business until such time as such credit union has obtained insurance of member accounts either under the provisions of Title II of the Federal Credit Union Act or has obtained approval for private insurance under a private insurance program or carrier.

(c) Any credit union which has had insurance of its accounts under Title II of the Federal Credit Union Act or a private insurance program or carrier withdrawn or cancelled must apply for such insurance within 30 days of such cancellation or withdrawal. If such credit union has not obtained such insurance within 90 days after such cancellation or withdrawal, the credit union shall either dissolve or merge
with another credit union which is insured under Title II of
the Federal Credit Union Act or a privately insured credit
union insured under a private insurance program or carrier.

"(d) The Administrator of the Alabama Credit Union
Administration shall be vested with authority to extend the
period of time within which a credit union must obtain
insurance of its accounts under Title II of the Federal Credit
Union Act, to permit other acceptable insurance coverage of
its accounts to be utilized by a credit union and to designate
into what credit union a credit union not having such
insurance coverage shall be merged.

"(e) The Administrator of the Alabama Credit Union
Administration shall make reports of condition and examination
reports available to the National Credit Union Administration
and, in his or her discretion, the Administrator of the
Alabama Credit Union Administration may accept any report or
examination made on behalf of the National Credit Union
Administration or a private insurance carrier approved in
writing by the administrator in lieu of an examination by the
Administrator of the Alabama Credit Union Administration
administrator.

"§5-17-21.

"(a) Unless otherwise provided in the bylaws of the
credit union, the membership of the credit union may elect to
dissolve the credit union upon an affirmative vote of two
thirds of the members of the credit union who participate in
the vote.

"The process of voluntary dissolution shall be as
follows: At (b) The vote to voluntarily dissolve a credit
union shall be taken at a meeting called held for that
purpose. (notice of which purpose must be contained in the
call) two thirds of those in attendance may vote to dissolve
the credit union. Voting by mail ballot shall be permitted.
Notice of the meeting must have been state that the purpose of
the meeting is to vote on the voluntary dissolution of the
credit union and must be mailed to the last known address of
each member of the credit union at least 15 30 calendar days
prior to the date of the meeting. The notice, at a minimum,
shall also contain all of the following information:

"(1) A general description of the implications of
the dissolution process on the deposit shares of members.

"(2) A general description of the implications of
the dissolution process on members who have borrowings with
the credit union.

"(3) A statement that, following dissolution, the
credit union shall continue in existence for the purpose of
discharging its debts, collecting and distributing its assets,
and doing all other acts required in order to wind up its
business.
"(c) The membership of a credit union approves the voluntary dissolution of the credit union, upon written notice from the board of directors of the credit union that such action has been approved by the membership and that the requirements of this section have been satisfied, the Administrator of the Alabama Credit Union Administration determines whether or not the credit union is solvent. If such is the fact, he issues shall issue in duplicate a certificate to the effect that this section has been complied with. The certificate is shall be filed with the probate judge of the county in which the credit union is located, whereupon the credit union is dissolved and shall cease to carry on business except for the purposes of liquidation and the winding up of its business.

"(d) The A credit union voluntarily dissolved pursuant to this section shall continue in existence for the purpose of discharging its debts, collecting and distributing its assets and doing all other acts required in order to wind up its business, and may sue and be sued for the purpose of enforcing such debts and obligations until its affairs are fully adjusted and wound up for three years.

"§5-17-22.

"Any credit union may, with the approval of the Administrator of the Alabama Credit Union Administration, may merge with another credit union, under the existing
certificate of organization of the other credit union,
pursuant to any plan agreed upon by the majority of each board
of directors of each credit union joining in the merger. In
addition to approval by the administrator and each board of
directors, the membership of the merging credit union must
also approve the merger plan in the following manner:

"(1) At a meeting called for that purpose notice
of which purpose must be contained in the call and two thirds of
those in attendance may vote to approve the merger plan.
Notice of the meeting must have been mailed to the last known
address of each member of the credit union at least 15 days
prior to the date of the meeting.

"(2) After agreement by the directors and approval
by the members of the merging credit union, the president and
secretary of the credit union shall execute a certificate of
merger which shall set forth all of the following:

"a. The time and place of the meeting of the board
of directors at which the plan was agreed upon.

"b. The vote in favor of the adoption of the plan.

"c. A copy of the resolution or other action by
which the plan was agreed upon.

"d. The time and place of the meeting of the members
at which the plan agreed upon was approved.

"e. The vote by which the plan was approved by the
members.
"(3) Such certificate and a copy of the plan of merger agreed upon shall be forwarded to the administrator, certified by the administrator, and returned to both credit unions within 30 days.

"(4) Upon return of the certificate from the administrator, all property, property rights and members' interest of the deed, endorsement or other instrument of transfer, and all debts, obligations, and liabilities of the merged credit union shall be deemed to have been assumed by the surviving credit union under whose charter the merger was effected. The rights and privileges of the members of the merged credit union shall remain intact.

"(5) A copy of the certificate approved by the Administrator of the Alabama Credit Union Administration shall be filed with the judge of probate of the county in which each credit union's certificate of organization is recorded.

"(6) This section applies to credit unions organized under the laws of the State of Alabama. Federally chartered credit unions may be merged into Alabama organized credit unions, under the same conditions as Alabama credit unions; provided, that the merger plan is approved by the National Credit Union Administration or private insurance program or carrier.

"(7) Credit unions organized under the laws of the State of Alabama may be merged into federally chartered credit
unions under the same conditions as provided in this section; provided, that the merger plan is approved by the National Credit Union Administration or private insurance program or carrier.

"(8) Credit unions organized under the laws of the State of Alabama may merge a state or federally chartered bank or thrift into the credit union under the same conditions as provided in this section, provided that the merger plan is approved, if required, by the appropriate state or federal regulator of the bank or thrift and federal insurer, the Federal Deposit Insurance Corporation.

"(9) Credit unions organized under the laws of the State of Alabama may merge into a state or federally chartered bank or thrift under the same conditions as provided in this section, provided that the merger plan is approved by the resultant institution's chartering regulator and the federal insurer, the Federal Deposit Insurance Corporation.

"(10) A federal credit union may be converted to a credit union chartered under the laws of Alabama and a state credit union may be converted to a federal credit union by adhering to the requirements for the conversion of a federal credit union to a state credit union as specified by the Federal Credit Union Act, presently 12 U.S.C. §1771(a)(1).

"§5-17-42.
"The administrator, before entering upon the discharge of his duties, shall take and subscribe to the oath prescribed by the constitution and laws of this state, and shall give bond in the penal sum of $25,000.00 cause the Division of Risk Management of the Department of Finance or its successor agency to cover the administrator by bond. The oath and the bond shall be filed with the Secretary of State.

"§5-17-45.

"(a) The Legislature finds as fact and determines that the credit unions having their principal place of business in Alabama must keep pace with technological and other improvements constantly being made throughout the United States so as to enable Alabama credit unions to render better and more efficient services to their members. It is necessary and desirable that the administrator be given additional authority in these fields.

"(b) The administrator is hereby authorized to expand powers of Alabama credit unions in order to accomplish both of the following:

"(1) Accommodate or take advantage of changing technologies.

"(2) Assure the ability of Alabama credit unions to be responsive in their business to the needs and conveniences demanded by credit union members through on-premises as well as off-premises operations; provided, that nothing in this
section shall enable the administrator to authorize credit
unions to engage in activities which are not properly incident
to the business of credit unions nor to enable the
administrator to authorize credit unions to engage in the
business of offering financial services which are now
prohibited to them.

"No credit union having its principal place of
business outside of Alabama may engage in credit union
business in Alabama under the provisions of this section;
provided that the administrator is authorized to enter into
agreements with the appropriate regulatory authorities of
other states; provided credit unions having their principal
place of business in Alabama are given and may exercise
reciprocal rights.

"(c) The administrator is authorized to issue
regulations under subsection (b) in the same manner as other
regulations of the Alabama Credit Union Administration are
adopted. Any Alabama credit union covered by the provisions of
subsection (b) desiring to exercise any such expanded power
must secure in advance written permission of the
administrator. The administrator may prescribe the form or
forms for such applications for permits permission and may
impose reasonable conditions in granting such permits
permission."
"(d) The administrator may enter into supervisory or other agreements, some of which may be confidential in nature, with the Federal Reserve, the FinCen Bureau of the U.S. Treasury Department, the National Credit Union Administration, state credit union, banking, and other regulators; approved private insurance carriers and other state or federal successor agencies and furnish to them for their use such reports of examination and other information in taking enforcement and other supervisory actions.

"§5-17-46.

"(a) The administrator may, with the concurrence of a majority of the members of the Credit Union Board, promulgate such reasonable regulations, consistent with the laws of this state, as may be necessary to carry out the laws over which the Alabama Credit Union Administration has jurisdiction. The administrator shall, in addition, issue written interpretations of credit union laws and regulations. Any credit union and any officer or director thereof relying on any regulation or interpretation shall be fully protected even though the same regulation or interpretation shall be thereafter ruled invalid for any reason by a court of competent jurisdiction.

"(b) Any policy or written interpretation or credit union laws and regulations shall be reviewed for ratification by the Credit Union Board within 90 days after written request...
for an interpretation by any member of the Credit Union Board. The policy or written interpretation of credit union laws and regulations shall be invalidated unless a majority of the members of the Credit Union Board ratify the interpretation or policy.

"(c) The procedure for adopting, amending, or repealing regulations and for the review or ratification of any policy or interpretation shall be the procedure specified in Section 5-17-47.

"§5-17-47.

"(a) Prior to the adoption, amendment, or repeal of any regulation or interpretation, the administrator shall:

"(1) Give at least 30 days' notice of the intended action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues involved, and the time when, the place where, and the manner in which interested persons may present their views thereon. The notice shall be mailed to made publicly available, and all credit unions chartered under the laws of this state and shall be published in a newspaper of general circulation in Montgomery County shall be given notice of such intended action. A complete copy of the proposed regulation shall be filed with the Secretary of State; and

"(2) Afford all interested persons reasonable opportunity to submit data, views, or arguments, orally or in
writing. Opportunity for oral hearing must be granted if
requested by 25 persons or by a governmental subdivision or
agency, or by an association having not less than 25 members.
The administrator shall consider fully all written and oral
submissions respecting the proposed regulation. Upon adoption
of a regulation, the administrator, if requested to do so by
an interested person either prior to adoption or within 30
days thereafter, shall issue a concise statement of the
principal reasons for and against its adoption, incorporating
therein the reasons for overruling the considerations urged
against its adoption.

"(b) Notwithstanding any other provision of this
section to the contrary, if the administrator finds that an
immediate danger to the public welfare requires adoption of a
regulation upon fewer than 30 days' notice and states in
writing his or her reasons for that finding, he or she may
proceed without prior notice or hearing or upon any
abbreviated notice and hearing that he or she finds
practicable to adopt an emergency regulation. The regulation
shall become effective immediately, unless otherwise stated
therein, upon the filing of the regulation and a copy of the
written statement of the reasons therefor with the Secretary
of State. The regulation may be effective for a period of not
longer than 120 days and shall not be renewable. The
administrator and Credit Union Board shall not adopt the same
or a substantially similar emergency regulation within one
calendar year from its first adoption unless the administrator
clearly establishes it could not reasonably be foreseen during
the initial 120-day period that such emergency would continue
or would likely reoccur during the next nine months. The
adoption of the same or a substantially similar regulation by
normal regulation-making procedures is not precluded.

"(c) No regulation hereafter adopted is valid unless
adopted in substantial compliance with this section. A
proceeding to contest any regulation on the ground of
noncompliance with the procedural requirements of this section
must be commenced within two years 180 calendar days from the
effective date of the regulation provided, however, that a
proceeding to contest a regulation based on failure to provide
notice as herein required or on an incorrect interpretation of
the law may be commenced at any time.

"(d) The validity or applicability of any regulation
or any interpretation of the Alabama Credit Union
Administration may be determined in an action for declaratory
judgment brought in the Circuit Court of Montgomery County
when it is alleged that the adoption, amendment or repeal of
any regulation or any interpretation or the application or
threatened application of any regulation or any interpretation
interferes with or impairs or threatens to interfere with or
impair the legal rights and privileges of the credit union or
person affected thereby.

"§5-17-51.

"Neither the administrator, any member of the Credit
Union Board nor any special agent or employee of the Alabama
Credit Union Administration shall be personally liable for any
acts done in good faith while in the performance of his or her
duties as provided by law.

"§5-17-52.

"Every examiner shall before entering upon
the discharge of his or her duties, every examiner shall take
and file with the administrator an oath faithfully to
discharge his or her duties as examiner. Each examiner shall
act under the direction of the administrator and shall examine
fully into the books, records, papers, and affairs of each
credit union which he the examiner may be directed by the
administrator to examine.

"§5-17-54.

"Before entering upon the duties of their respective
offices, all examiners and office assistants shall execute to
the State of Alabama the administrator shall cause the
Division of Risk Management of the Department of Finance or
its successor agency to include each employee of the Alabama
Credit Union Administration under a bond to be fixed and

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approved by the administrator, for the faithful performance of
their duties.

"§5-17-55.

"(a) There shall be a Credit Union Board of the
Alabama Credit Union Administration which shall consist of the
administrator, who shall be an ex officio member and chairman
of the board, and seven other persons, appointed by the
Governor, by and with the consent of the Senate. Four of these
persons shall be appointed from a list of nominees submitted
by the Credit Union Board of the Alabama Credit Union
Administration, in consultation with the League of
Southeastern Credit Union or its successor organization, which
shall submit not less than three nominees for any vacancy.
Should the Governor determine that none of the first three
nominees submitted by the Credit Union Board for a vacancy on
the Credit Union Board are acceptable, the Governor may reject
the three nominees and the Credit Union Board shall submit an
alternative list of three nominees to the Governor from which
the Governor shall make the appointment. The remaining three
appointments to the Credit Union Board shall be made by the
Governor from a list of nominees submitted by credit unions at
large. No person is eligible to be nominated or appointed to
the Credit Union Board unless at the time of nomination or
appointment, the person is an officer, director, or manager of
a state-chartered credit union and has at least five years'
experience in the 10 years next preceding appointment as an
officer, director, or manager of a credit union. The position
of any member of the Credit Union Board shall be declared
vacant by the Administrator of the Alabama Credit Union
Administration if the member of the Credit Union Board ceases
to serve as an officer, director, or manager of a credit union
chartered under the laws of the State of Alabama.

"(b) The seven appointees by the Governor, with the
consent of the Senate, shall serve for the terms designated by
the Governor for each person upon appointment of the persons.
Of the seven persons appointed by the Governor, with the
consent of the Senate, three persons shall serve terms
expiring on February 1 of the first year following passage
hereof, two persons shall serve terms expiring on February 1
of the second year following passage hereof and two persons
shall serve terms expiring on February 1 of the third year
following passage hereof. Successors shall be appointed by the
Governor, with the consent of the Senate, for terms of three
years each, so that the terms of two or three of the seven
appointed members will expire on February 1 of each year. An
allowance for correction of terms may be permitted from time
to time or as necessary. Upon the expiration of their terms of
office, members of the board shall continue to serve until
their successors are appointed and have qualified.
"(c) If a member of the Credit Union Board of the Alabama Credit Union Administration fails to attend regular meetings of the board for three consecutive meetings, or otherwise fails to perform the duties devolving upon him or her as a member of the Credit Union Board of the Alabama Credit Union Administration, is convicted of a felony or any other crime involving moral turpitude, or ceases to be an officer, director, or manager of a credit union, the office of the member shall be declared vacant by the administrator. The office of the board member shall be deemed to be vacated on the thirty-first day after mailing of a notice to the board member that his or her position is being vacated unless the board member files an appeal with the Credit Union Board prior to the thirty-first day after mailing of notice. Except that no appeal is authorized if the member's position is declared vacant by reason of conviction of a felony or a crime involving moral turpitude.

"Any person who is notified that his or her position on the board has been declared vacant by the administrator may, within 30 days after mailing of the notice that the position has been declared vacant, appeal to the other members of the Credit Union Board by written notice of appeal received by the administrator within the time period.

"Upon a finding of good cause for the failure to attend meetings or otherwise perform duties, or upon a finding
that there is a compelling reason for reinstating the member, a majority of board members may reinstate the person to the position. When the member appeals to the Credit Union Board, unless reinstated by the board within 30 calendar days after appeal, the position on the board shall be deemed to be vacant on the thirty-first day after receipt by the administrator of the member's written notice of the appeal. The administrator shall call a meeting to hear the appeal within 30 calendar days after receipt of the notice of appeal. The board member who has received notice that the position will be declared vacant shall have the right to present at any hearing dealing with the position being declared vacant, but shall not have the right to vote on any issue until he or she is reinstated by the Credit Union Board.

"(d) If by reason of death, resignation, removal from office or otherwise a vacancy occurs on the Credit Union Board, the vacancy shall be filled by appointment of the Governor and the appointee shall hold office until the Senate meets and passes on the appointment. If the appointment is disapproved by the Senate, another appointment shall be made by the Governor, and appointments must be made in like manner until an appointment is confirmed by the Senate. Any person so appointed shall serve the balance of the unexpired term for which the appointment is made. The seven appointed members of the Credit Union Board shall be persons of good character.
Five of the seven shall have at least five years' experience in the 10 years next preceding appointment to the Credit Union Board either as an officer, director, or manager of a credit union organized under the laws of the State of Alabama.

"(e) An appeal may be taken to the Credit Union Board from any finding, ruling, order, decision or the final action of the administrator by any credit union which feels aggrieved thereby. Notice of appeal shall be filed with the administrator within 30 calendar days after the findings, ruling, order, decision or other action. The notice shall contain a brief statement of the pertinent facts upon which the appeal is grounded. The Credit Union Board shall fix a date, time and place for hearing the appeal, within 60 calendar days after it is filed, and shall notify the credit union or its attorney of record thereof at least 30 calendar days prior to the date of the hearing. The finding of the Credit Union Board shall be strictly advisory in nature."

Section 2. Sections 5-17-8.1 and 5-17-60 are added to the Code of Alabama 1975, to read as follows:

§5-17-8.1.

(a) The administrator or the administrator's designee, in consultation with the agency's legal counsel acting under the administrator, may administer oaths and may examine under oath any person whose testimony may be required on the examination of any credit union, or the examination of
any affiliate of a credit union, and shall have authority and
power to compel the appearance and attendance of any such
person or the production of any records and documents of any
credit union or any affiliate of a credit union for the
purpose of any examination and attendance or production may be
enforced by order of the Circuit Court, 15th Judicial
District. The production of records, documents, or testimony,
whether or not made under oath, by a credit union or by any of
its directors, officers, employees, advisors, consultants,
attorneys, or accountants made for, and at the request of, the
administrator upon examination of the credit union, does not
constitute a waiver of any attorney-client privilege or other
privilege that the credit union or any director, officer,
employee, advisor, consultant, attorney, or accountant thereof
is entitled to under law in any unrelated matter or
proceeding.

(b) Any officer, director, agent, or employee of any
credit union, any affiliate of a credit union, or any affected
person, whether one or more, who (1) makes any false entry or
omission with intent to mislead in any book, report, or
statement of the credit union or affiliate of the credit
union, or (2) makes a false statement, whether or not made
under oath, to the administrator, an examiner or designee
acting under the administrator, or to any officer of such
credit union or affiliate of any credit union with intent to
injure or defraud the administrator, examiner, designee, officer, credit union, or affiliate, or with the intent to influence in any way the action of the administrator or an examiner or designee acting under the administrator, shall be subject to removal and the imposition of civil money penalties by the administrator when so directed by the Credit Union Board as provided in this title. At the discretion of the administrator, an order of removal may prohibit the affected person from participating in the affairs of any state credit union. Any action of the administrator or designee acting under the administrator taken in reliance upon such false entry, omission, or statement may be rescinded and withdrawn at the discretion of the administrator. These remedies are in addition to the penalties set forth in Sections 5-17-29 to 5-17-32, inclusive.

(c) In taking an action to prohibit participation by, remove, or impose civil money penalties upon, any officer, director, or employee of any credit union or any affiliate of a credit union under this section, the administrator and Credit Union Board shall not be required to establish that the credit union or the affiliate of the credit union suffered or probably will suffer financial loss and shall not be required to establish that the administrator, examiner, or designee acting under the administrator was influenced by such false entry, omission, or statement.
(d) The resignation, termination of employment or participation, or separation of any director, officer, or employee of a credit union for any reason whatsoever shall not affect the jurisdiction and authority of the administrator or the Credit Union Board to issue any notice or order and proceed under this title against any such person, if the notice or order is served before the end of the six-year period beginning on the last date that the person ceased to be a director, officer, or employee of the credit union.

(e) If the directors or officers of any credit union knowingly and unreasonably or willfully violate, or knowingly and unreasonably or willfully permit any of the officers, agents, or employees of the credit union to violate any of the provisions of this title, each and every director or officer engaging in such knowing and willful violation or knowing and willful permission shall be liable in his or her personal and individual capacity for all damages that the credit union or any other person sustained in consequence of the violation. The administrator may use enforcement powers to seek restitution for or on behalf of the credit union for damages resulting from such violations. Further, the administrator shall have standing to intervene in any court action arising out of or relating to such violation in order to protect the interests of the administrator, examiners, administrator's
designee or designees, the agency, the credit union, or its members.

§5-17-60.

(a) Except as otherwise provided in this section, the administrator, a member of the Credit Union Board, or an examiner or other state employee may not disclose the condition and affairs of any credit union, its supervisory committee, or subsidiaries or other affiliates, ascertained by an examination of such credit union or affiliates, or report or give out nonpublic personal information of credit union members, except as authorized or required by law; provided that this section shall not be construed to prevent examiners and other employees from reporting such information to the administrator or such persons as the administrator may lawfully designate.

(b) Notwithstanding subsection (a), the administrator, at the administrator's discretion, may disclose any information otherwise protected under this section to the members of the Credit Union Board and confer with the members of the Credit Union Board regarding the same and may disclose such information as is and to the extent necessary to the exercise of enforcement authority or the taking of other supervisory actions pursuant to this title.

(c) The administrator may furnish to the National Credit Union Administration, or to any other supervisory
agency of the United States, or to a private share insurance
carrier presently providing deposit share insurance to the
subject credit union, or to other federal or state agencies
with which the administrator has entered into an agreement
pursuant to subsection (d) of Section 5-17-45, reports of
examination and other data as the administrator deems
advisable.

(d) No disclosure may be made by any agency or
entity furnished with reports of examination or other data
pursuant to subsection (c) to any third parties without the
prior consent of the administrator. Any disclosure permitted
by the administrator shall be subject to such conditions and
restrictions as the administrator may require or as otherwise
required by this title.

(e) The administrator may also furnish copies of his
or her reports of examination and any other information to the
board of directors of the credit union, its supervisory
committee, subsidiary, or affiliate.

(f) Any reports or information furnished or
disclosed under this section shall remain the property of the
Alabama Credit Union Administration and, except as provided in
this section, may not be disclosed to any person other than
the officers, directors, attorneys, and auditors of the credit
union, its supervisory committee, subsidiary, affiliate,
consultants, or advisors to the credit union or affiliate,
and, subject to appropriate confidentiality agreements, persons considering the possible acquisition of, merger with, or investment in the credit union or affiliate. A person receiving such reports or information may not:

1. Use the report or information other than in connection with the credit union or affiliate, and its business and affairs.

2. Retain that report or information or copies thereof.

3. Except as expressly permitted by law, disclose such report or information to any person not authorized to receive the same under this subsection.

(g) All reports of examination, records reflecting action of a credit union, its supervisory committee, subsidiary or affiliate, taken pursuant thereto, and records, correspondence, communications, and minutes of meetings of the Credit Union Board relating to a credit union or several credit unions, supervisory committee, subsidiary, or affiliate, shall be confidential and shall not be subject to subpoena or inspection except by subpoena from a grand jury served on the administrator.

Section 3. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.
SB209

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB209
Senate 03-MAR-16
I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 23-MAR-16

By: Senator Holtzclaw

APPROVED 4-11-16
TIME 3:30 PM

Alabama Secretary Of State
Act Num....: 2016-133
Bill Num....: S-209
Recv'd 04/12/16 09:13amSLF

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SENATE ACTION

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB 209.

yeas ☑ 15 nays ☐ abstain ☐

PATRICK HARRIS,
Secretary

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on Financial Services was acted upon by such committee in session, and returned therewith to the House with the recommendation that it be passed w/amend(s) w/sub.

This 10th day of MARCH 2016

Chairperson

CONFERENCE COMMITTEE

Senate Conferees

DATE: 3-1 2016

RE-REFERRED RE-COMMITTED

DATE: 20

RE-REFERRED

Committee

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill, SB 209.

YEAS 101 NAYS 0

JEFF WOODARD,
Clerk