



John P. Smith, Administrator

Department of Credit Unions

Sam Brownback, Governor

DATE: July 10, 2012
BULLETIN: 2012-KDCU-CUB-04
TO: Management of Kansas Chartered Credit Unions
SUBJECT: Amendment of Bylaws to remove the Credit Committee

Passage of Senate Bill 263 by the Kansas legislature and approval by the Governor eliminates the requirement that a credit union only use a credit committee for the approval of every loan. The legislation authorizes the credit committee, credit manager, or loan officer to have the general supervision of lending to members. The legislation also provides that any member who is denied a loan has the right to appeal the decision to the board of directors if the bylaws allow such an appeal (2012 amendments to K.S.A. 17-2210 authorized by SB 263).

For credit unions to abolish the credit committee, a bylaw amendment removing Article VII and renumbering the remaining Articles should be approved by the Board of Directors and submitted to the Administrator for approval. The procedure for amending bylaws is found in Article XVI of the bylaws.

No amendment to the bylaws shall become operative until approved by the Administrator in writing, and until a certified copy has been filed as original bylaws are filed (K.S.A.17-2202).

The Kansas Department of Credit Unions (KDCU) has prepared revised standard bylaws for use by credit unions as a starting point in revising their bylaws. The revised standard bylaws should be tailored to meet a credit union's specific requirements. Credit unions are expected to utilize their own independent legal counsel and business judgment when evaluating, using, or modifying the revised standard bylaws. The standard form should not be construed as legal advice for any particular facts or circumstances. The revised standard bylaws are attached to this Bulletin and are on the KDCU website at www.kansas.gov/kdcu/.

The revised standard bylaws also changes Article XVII Conformity Law incorporating a change made by the 2005 Legislature to K.S.A. 17-2244. With this change the Board of Directors is authorized to make application to the Administrator for approval to engage in any activity in which the credit union could engage if the credit union was operating as a federally insured credit union.

Please contact the KDCU office if you have questions or require assistance in amending your credit union bylaws.

/s/ John P. Smith

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