

## SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 797

AN ACT

To repeal sections 370.010, 370.020, 370.030, 370.071, 370.110, 370.120, 370.130, 370.151, 370.170, 370.190, 370.200, 370.220, 370.230, 370.235, 370.260, 370.270, 370.275, 370.310, 370.340, 370.350, 370.355, 370.356, 370.358, and 370.359, RSMo, and to enact in lieu thereof twenty-four new sections relating to credit unions, with existing penalty provisions.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Sections 370.010, 370.020, 370.030, 370.071, 370.110, 370.120, 370.130, 370.151, 370.170, 370.190, 370.200, 370.220, 370.230, 370.235, 370.260, 370.270, 370.275, 370.310, 370.340, 370.350, 370.355, 370.356, 370.358, and 370.359, RSMo, are repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 370.010, 370.020, 370.030, 370.071, 370.110, 370.120, 370.130, 370.151, 370.170, 370.190, 370.200, 370.220, 370.230, 370.235, 370.260, 370.275, 370.288, 370.310, 370.340, 370.350, 370.355, 370.356, 370.358, and 370.359, to read as follows:

370.010. Any seven persons, residents of the state of Missouri, may apply to the director of the division of credit unions, for permission to organize a credit union by signing and acknowledging [in triplicate] a certificate of organization and entering into articles of agreement, in which they shall bind themselves to comply with its requirements and with all the laws,

rules and regulations applicable to credit unions.

370.020. The certificate of organization shall state:

(1) The name of the proposed credit union and the city, town, or village in which its business office is located;

(2) The names and addresses of the subscribers to the certificate, and the number of shares subscribed by each;

(3) A statement that organization as a credit union is desired under this particular law;

(4) The par value of the [general] regular shares, which shall not exceed one hundred dollars;

(5) The par value of membership shares, if any, which shall not be less than twenty-five nor more than one hundred dollars.

370.030. At the time of filing the certificate with the director of the division of credit unions, the organizers shall submit[, in triplicate, sets of] the bylaws with acknowledgment of their adoption by the organizers which shall provide:

(1) For the annual meeting, which shall take place no later than one hundred eighty days following the close of the fiscal year, the manner of notification of meetings and the conduct of the same, the number of members constituting a quorum and regulations as to voting;

(2) The number of directors, which shall not be less than five, all of whom must be members, their powers and duties, together with the duties of officers elected by the board of directors;

(3) The qualifications for membership;

(4) The number of members of the credit committee and of the supervisory committee, if elected or appointed, which shall

not be less than three each, their terms of office, together with their respective powers and duties;

(5) The conditions under which shares may be issued, transferred and withdrawn, loans made and repaid, and the funds otherwise invested; and

(6) The charges, if any, which shall be made for failure to meet obligations punctually, whether or not the credit union shall have the power to borrow, the method of receipting for money, the manner of accumulating a reserve fund and determining a dividend.

370.071. A credit union may have the following additional powers:

(1) To contract for group insurance plans, approved by the state of Missouri, on behalf of members electing to participate in such insurance programs and to charge a fee for providing such services;

(2) To exercise such additional powers, with the approval of the director, as federally chartered credit unions may be authorized under federal statutes; however, this section shall not apply to field of membership provisions within this chapter;

(3) To hold membership in central credit unions whose field of membership includes credit unions, and to invest funds in shares of corporations to aid the liquidity of credit unions;

(4) To act as the fiscal or transfer agent of the United States, of any state, municipality, or political subdivision and in such capacity to receive and disburse money, to transfer, register and countersign certificates of stock, bonds and other evidences of indebtedness;

(5) Notwithstanding any other law to the contrary, a credit union may charge initial and/or recurring membership fees, provided such fees have been approved by a majority of the membership in attendance at any regular or special meeting or by a mail or electronic ballot as provided in the credit union bylaws, after notice of the purpose thereof shall have been mailed or delivered, to each member, at least seven days and no longer than sixty days prior to the date of such meeting. Such membership fees shall not be construed as reserve income but shall be used at the sole discretion of the board of directors for the benefit of the credit union.

370.110. 1. Each credit union shall make a report of its condition [on or before January thirty-first of each year], verified by the president or the president's designee, as required by the federal credit union insurer and at such other times as the director of the division of credit unions may require.

2. [Such reports shall be made on blank forms to be provided by the director of the division of credit unions and shall be verified under oath or affirmation of the president and treasurer of the credit union.

3.] Any credit union which neglects to make any report when due, or makes such report that is inaccurate or incomplete, shall forfeit to the state, payable to the director of revenue, twenty-five dollars for each day of the first seven days of such neglect and seventy-five dollars for each additional day thereafter, after the due date of such report or such subsequent due date established by the director in a notice to the credit

union to correct an inaccurate or incomplete report unless such payments are excused in whole or in part by the director of the division of credit unions.

370.120. 1. The director of the division of credit unions, in person or by his or her agents, shall examine each credit union annually and at other times as he or she shall direct, and at all times shall have free access to all books, papers, securities and other sources of information pertaining to the credit union; except that the division of credit unions shall examine qualifying credit unions, as determined by the director, at least once each eighteen calendar months.

2. The director of the division of credit unions and his or her agents may subpoena and examine witnesses under oath or affirmation, and documents pertaining to the business of the credit unions.

3. The director of the division of credit unions may accept, in lieu of making an annual examination of a credit union, an audit report of the condition of the credit union made by an auditor approved by the director of the division of credit unions for the purpose of making such credit union audits, the cost of which audit shall be borne by the credit union.

4. The director of the division of credit unions may accept, in lieu of conducting an annual examination of a credit union, a final examination report of the credit union made by the federal credit union insurer.

370.130. 1. If any credit union neglects for ~~[fifteen]~~ thirty days to make the required reports or to pay the required charges, including charges for delay in filing reports, the

director shall notify such credit union of his or her intention to revoke its certificate of approval.

2. If such neglect or failure continues for an additional fifteen days, the director may revoke the certificate of approval of such credit union.

3. Whenever the director revokes the certificate of approval of any credit union, he or she shall file notice of such revocation with the secretary of state.

370.151. 1. The director may call a special meeting of the members to consider and act upon a plan of reorganization; but he or she may at his or her option require the president or secretary to do so. Notice of the meeting shall be mailed or delivered, to each member, or posted in a conspicuous place frequented by the members, at least seven days before the meeting.

2. If the plan of reorganization is approved by a two-thirds majority of the votes cast at the meeting, it shall become effective upon the date, terms and conditions specified therein, and the director shall, upon, or as of, the date, return the possession, assets and conduct of the business of the credit union to its directors and officers.

3. If a reorganization plan, when submitted to the members as herein provided, is not approved by the required majority, the director may issue a notice of involuntary liquidation and appoint a liquidating agent to liquidate the credit union.

370.170. 1. Special meetings of the members may be held by order of the board of directors, or the supervisory committee, and shall be held on request of ten percent of the members.

2. At all meetings a member shall have but one vote.

3. No member may vote by proxy, but a society, association, copartnership, or corporation, having membership in a credit union, may be represented by one person, previously authorized by such society, association, copartnership or corporation to transact business with the credit union. The bylaws of a credit union, when approved by the membership, may provide for mail or electronic ballots for the election of officers.

4. By majority vote of those present at any meeting, the members may decide on any matter of interest to the credit union, amend the bylaws relating to qualifications for membership, the election or appointment of the supervisory committee, determine the requirements for a credit committee and if such committee should be elected or appointed, and overrule the directors on any matter concerning guidelines for future plans and objectives, provided the notice of the meeting has stated any such matter to be considered upon a written request of any member, except that the members cannot cause the credit union to breach or abrogate any legally binding obligation or contract previously executed by the board.

370.190. 1. [At the first meeting, and at each first meeting in the fiscal year, the board of directors shall elect from their own number a president, vice president, secretary and treasurer. If the bylaws so provide, the offices of secretary and treasurer may be held by the same person.

2. Where the credit union bylaws so provide] At its first meeting following the annual membership meeting, the board of directors[, in lieu of the officers specified in subsection 1,]

shall elect from their own number a [chairman] chair of the board of directors, a vice [chairman] chair, a secretary and a treasurer; and further shall designate such administrative officers [including a president of the credit union and a vice president] as the bylaws may provide. [In the event the bylaws of a credit union provide for the designation of officers as provided in this subsection, where in this chapter there is a reference to a "president" and "vice president", for such a credit union, the reference shall be understood to be to "chairman of the board" and "vice chairman of the board"; and the word "manager" shall be understood to refer to a "president"] If the bylaws so provide, the offices of secretary and treasurer may be held by the same person.

[3.] 2. The duties of the officers shall be prescribed by the board of directors unless otherwise specified in the bylaws.

370.200. 1. The board of directors shall have the general management of the affairs, funds and records of the corporation, and unless they shall be specifically reserved to the members or delegated to the president or operating manager, it shall be the special duty of the directors:

(1) To [act upon all applications for membership and on the exclusion of members or the board may delegate to a membership officer the approval of membership applications, and a record of such officer's approval or denial of membership shall be available to the board of directors for inspection, and a person denied membership by such officer may appeal such denial to the board] act upon applications for membership in the credit union;

(2) To determine, from time to time, rates of interest which

shall be charged on loans;

(3) [To fix the amount of the surety bond which shall be required of each officer having the custody of funds;

(4)] To fix the maximum number of shares which may be held by and the maximum amount, both secured and unsecured, which may be loaned to any one member, such limitations to apply alike to all members; and

[(5) To declare dividends;

(6) To accept and act upon resignations and determine and fill vacancies on the board of directors, credit committee, and, if the bylaws so provide, the supervisory committee until the election or appointment of qualified successors;

(7)] (4) To have charge of the investment of funds of the credit union, other than loans to members, and to perform such other duties as the members may, from time to time, authorize[;

(8) To amend the bylaws except for those provisions in other sections of this chapter specifically reserved for membership action].

2. Additionally, the board shall have the duty to:

(1) Authorize the employment and compensation of the chief executive officer;

(2) Approve an annual operating budget for the credit union;

(3) Declare dividends on regular shares;

(4) Accept and act upon resignations and determine and fill vacancies on the board of directors, credit committee, and, if the bylaws so provide, the supervisory committee until the election or appointment of qualified successors;

(5) Amend the bylaws except for those provisions in other sections of this chapter specifically reserved for membership action; and

(6) Consider an appeal of a person denied membership by the credit union.

3. Unless specifically prohibited by the bylaws, directors may participate in and act at any meeting of the board through the use of a telephone or other electronic means. Participation in the meeting in this manner shall constitute attendance.

370.220. 1. The credit committee or, when authorized, credit manager[, if authorized,] shall [approve every loan or advance made by the credit union to its members] follow the bylaws, policies, and procedures established by the board of directors regarding loans and advances.

2. [Every application for a loan shall be in the format approved by the board of directors.] The applicant shall state the purpose for which the loan is desired and the security, if any, offered.

3. Security must be taken for any loan in excess of the limit set by written policy of the board of directors. Endorsement of a note or assignment of shares in any credit union shall be deemed security within the meaning of this section.

4. No loan shall be made unless it has received the majority approval of the members of the committee present when the loan was considered, which number shall constitute at least a majority of the committee. However, in the case of any credit union having total assets in excess of one hundred thousand dollars, the board of directors may appoint a credit manager.

The credit manager may be delegated authority to act on all or some applications for loans, reporting monthly thereon to the credit committee or board of directors, as the case may be.

5. An applicant for a loan may appeal to the directors from the decision of the credit committee or credit manager, if it is so provided in the bylaws, and in the way and manner therein provided.

6. [Notwithstanding any other provisions in this chapter, the board of directors may delegate to the treasurer, or manager, the power to make loans to members provided the amount of any one such loan shall not exceed one hundred dollars and the period of any such loan shall not exceed thirty days.

7.] The credit committee or, when authorized, a credit manager may approve in advance, upon its or his or her own motion or upon application by a member, an extension of credit, and loans may be granted to such members within the limits of such extensions of credit. When an extension of credit has been approved, applications for loans need no further consideration as long as the aggregate obligation does not exceed the limits of such extension of credit. The credit committee or, when authorized, the credit manager shall, at least once a year, review, or cause to be reviewed, all extensions of credit and any extension of credit shall expire if the member becomes more than ninety days delinquent in his or her obligation to the credit union.

370.230. 1. The supervisory committee shall make, or cause to be made, an examination of the affairs of the credit union, at least annually, including its books and accounts, and shall make,

or cause to be made, a verification of members' share and loan accounts in the same manner and with the same frequency as required by federal law for federal credit unions, and shall review the acts of the board of directors, credit committee and officers, any or all of whom the supervisory committee may suspend at any time by a majority vote.

2. Within seven days after such suspension, the supervisory committee shall cause notice to be given the members of a special meeting to take action on such suspension, the call for the meeting to indicate clearly its purpose.

3. By a majority vote the committee may call a meeting of the members to consider any violation of this chapter or of the bylaws, or any practice of the credit union which, in the opinion of said committee, is unsafe and unauthorized.

4. During the fiscal year, the supervisory committee shall make or cause to be made a thorough audit of the receipts, disbursements, income, assets, and liabilities of the credit union, and shall make a full report on such audit to the directors. In the event that a credit union has over one million dollars in assets, an independent audit shall be required in lieu of the audit by the supervisory committee, and a report on such audit shall be read at the annual meeting and shall be filed and preserved with the records of the credit union.

5. If the credit union bylaws so provide, the supervisory committee shall elect a chair from their own number.

6. The supervisory committee shall fill vacancies in their own number until the next annual meeting or, if the bylaws so provide, vacancies may be filled by appointment by the board of

directors.

370.235. [1.] As a condition precedent to qualification or entry upon the discharge of his or her duties, every person appointed or elected to any position requiring the receipt, payment of money or other personal property owned by a credit union or in its custody or control as collateral or otherwise, shall give a bond with some surety company, licensed to do business in this state, as surety thereon in such reasonably adequate sum as the director shall require and approve. The term "reasonably adequate" as used herein, requires the director to have reasonable regard for the protection of the accounts and assets of the credit union. In lieu of individual bonds, the director may accept a schedule or blanket bond which covers all of the officers and employees of any credit union whose duties include the receipt, payment or custody of money or other personal property on behalf of the credit union. All bonds shall be in the form prescribed by the director.

[2. Within forty-five days next after approval of such bonds by the board of directors, attested copies thereof, with a certificate of their custodian that the originals are in his possession, shall be filed with the director.]

370.260. 1. A credit union may, upon the resignation or expulsion of a member, cancel the shares of such member and apply the withdrawal value of such shares toward the liquidation of the member's indebtedness.

2. Each member shall keep the credit union informed about his or her current address. In the event a member fails to do this, a quarterly charge may be made to the member's share

account [for the actual cost of necessary locator service in determining such address; provided, however, that such charge shall not exceed five dollars. The charge shall be made only for amounts paid to a person or concern normally engaged in providing such service, and shall be made against the account or accounts of any one member not more than once in any twelve-month period].

370.275. Shares, share certificates, deposits and deposit certificates may be held in the name of a member in trust for a beneficiary, in the name of a nonmember in trust for a beneficiary who is a member or in the name of a trustee of a trust of which a member is grantor, trustee or beneficiary. Beneficiaries may be a minor or minors. No beneficiary, trustee or grantor of a trust, unless a member in his or her own right, shall be permitted to vote, obtain loans, or hold office [or be required to pay an entrance or membership fee]. Payment of part or all of such a trust account to the party in whose name the account is held shall, to the extent of such payment, discharge the liability of the credit union to that party and to the beneficiary, and the credit union shall be under no obligation to see to the application of such payment. In the event of death of the party in whose name a trust account is held, and if the credit union has been given no other written notice of the existence or terms of any trust, account funds and any dividends or interest thereon shall be paid to the beneficiary.

370.288. 1. A credit union may refuse to make a payment from an account to a depositor, a shareholder, any trust or payable-on-death account beneficiary, or any other person claiming an interest in the account if the credit union:

(1) Is uncertain under the agreement governing the account of who is entitled to receive the payment; or

(2) Has actual knowledge of a dispute between any depositors, shareholders, beneficiaries with present vested rights in the account, or other persons concerning ownership of the money in the account, the proposed withdrawal, or any previous withdrawals from the account.

2. If a credit union refuses to make a payment under subsection 1 of this section, the credit union:

(1) Shall notify, in writing, all depositors, shareholders, beneficiaries with present vested rights in the account, and other persons claiming an interest in the account of the basis for the credit union's refusal; and

(2) May refuse to make the payment until all interested parties consent in writing to the requested payment or a court with proper jurisdiction orders the credit union to make the payment.

3. The credit union shall not be liable in damages as a result of an action taken under this section.

370.310. 1. A credit union may lend to its members, as herein provided, for such purposes and upon such security as the bylaws provide and the credit committee or credit manager shall approve, provided that no secured or unsecured loan shall be made in excess of two thousand dollars, except that if ten percent of the assets of the credit union exceeds two thousand dollars then the maximum amount of a loan by the credit union shall be ten percent of its assets, and unsecured loans to any one member shall not exceed the limitations found in current written

policies of the board of directors.

2. [A member who needs funds with which to purchase necessary supplies for growing crops may receive a loan in installments instead of one sum.

3. A borrower may repay the whole or any part of his loan on any day on which the office of the credit union is open for the transaction of business.

4.] All loans to directors, credit and supervisory committee members of the credit union shall comply with all the requirements in this chapter and the credit union bylaws with respect to loans to other members and may not be on terms more favorable than those of loans extended to other member-borrowers and such loans shall also be reported at the next regularly scheduled meeting of the board of directors; and further, all such loans shall be reported to the director of the division of credit unions annually.

370.340. 1. At any regularly called meeting the members, by a two-thirds vote of those present, may expel from the credit union any member thereof.

2. A member may withdraw from a credit union[, as herein provided, by filing a written notice of such intention] upon request.

3. The board of directors, the president, or an executive officer designated by the board may expel a member pursuant to a written policy adopted by [it] the board. Any person expelled [by the board] shall have the right to [request a hearing before the board to reconsider the expulsion] appeal the decision pursuant to a written policy adopted by the board.

4. The share balance of an expelled or withdrawing member, with any dividends credited to his or her shares to the date of expulsion, or withdrawal, shall be paid to said member but only as funds therefor become available, and, after deducting any amounts due to the credit union by said member. The share balance of an expelled or withdrawing member, with any dividends credited to his or her shares, shall be paid to such member, subject to sixty days' notice, and after deducting any amounts due to the credit union by said member.

5. Said member, when withdrawing shares, shall have no further right in said 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.

370.350. 1. At any meeting called for the purpose, notice of the purpose being contained in the call, three-fourths of the membership present may vote to dissolve the credit union and shall thereupon signify their consent to such dissolution in writing and shall file such consent with the director of the division of credit unions attested by a majority of its officers, with a statement of the names and addresses of the directors and officers duly verified.

2. The director of the division of credit unions shall execute [in duplicate] a certificate to the effect that such consent and statement have been filed and that it appears therefrom that the credit union has complied with this section.

3. Such [duplicate] certificate shall be filed by the [credit union] director in the office of the secretary of state.

4. The director shall then appoint the share insurer or

guarantor of the credit union, or other suitable person or persons, or entities, as liquidating agent, who shall proceed to liquidate the credit union by procedures as defined by rules and regulations.

5. The director of the division of credit unions is authorized to promulgate rules and regulations concerning the dissolution of credit unions and, upon the termination of such credit union, and upon notice to the director from his or her appointed liquidating agent, the director of the division of credit unions shall notify the secretary of state of such final dissolution.

6. No rule or portion of a rule promulgated under the authority of this chapter shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

7. The director of the division of credit unions, with the consent of another credit union, may transfer the existing membership and related field of membership of a credit union in dissolution to the second credit union and the liquidating agent, upon receiving notice of such action, shall forward its records of the members so to be transferred to the second credit union.

8. Notwithstanding any other provisions of this section, following a membership vote to dissolve the credit union, the director of the division of credit unions, or his or her appointee, may at the request of the board of directors proceed to bring about an orderly dissolution of the credit union as provided in subsection 4 of this section.

370.355. 1. Upon approval by the director of the division of credit unions, articles of merger or articles of consolidation

shall be executed [in triplicate,] by each credit union, by its [president] chair, or a vice [president] chair, and verified by him or her, and with the corporate seal of each credit union affixed thereto, attested by its secretary or an assistant secretary, and shall set forth:

- (1) The plan of merger or plan of consolidation;
- (2) The total membership of each credit union; and
- (3) As to each credit union the number of members voting for and against the plan, respectively.

2. If the director of the division of credit unions finds that the articles conform to law, when all required taxes or fees have been paid, [he] the director shall file the same, keeping one copy as a permanent record, forward a copy to the secretary of state after having issued a certificate of merger or a certificate of consolidation, and a verified copy of the certificate, to which he or she shall affix the other copy of the articles.

3. Upon the issuance of the certificate of merger or the certificate of consolidation by the director of the division of credit unions, the merger or consolidation shall be effected.

4. The certificate of merger with a copy of the articles of merger affixed thereto by the director of the division of credit unions, or the certificates of consolidation with the copy of the articles of consolidation and certified copy thereof, with the copy of the articles of consolidation affixed thereto by the director of the division of credit unions, shall be returned to the surviving credit union, or new credit union, as the case may be, or to its representative.

370.356. 1. If a shareholder of a credit union which is a party to a merger or consolidation files with such credit union, prior to or at the meeting of shareholders or members at which the plan of merger or consolidation is submitted to a vote, a written objection to such a plan of merger or consolidation, and shall not vote in favor thereof, and the shareholder within ten days after the merger or consolidation is effected, makes written demand on the surviving or new credit union for payment of the fair value of his or her share as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new credit union shall pay to such shareholder, upon surrender of his or her pass book or other record representing the shares, the fair value thereof as reflected by the books of the company, not including any goodwill or statutory reserve fund that may be had by the credit union.

2. The demand shall state the number of shares owned by the dissenting shareholder.

3. Any shareholder failing to make demand within the ten day period shall be conclusively presumed to have consented to the merger or consolidation, and shall be bound by the terms thereof.

370.358. 1. A credit union organized under the laws of another state may apply to the director of the division of credit unions for a certificate of organization as a credit union under the laws of this state and may be issued such a certificate by complying with the provisions of this section.

2. The application shall state:

(1) The name of the credit union and the state or country

under the laws of which it is organized;

(2) The date of its organization and the period of its duration;

(3) The place where its business office will be located in this state;

(4) The names and address of its directors and officers;

(5) A statement of its capital and the amount of its surplus, if any; and

(6) Such additional information as may be necessary or appropriate in order to enable the director of the division of credit unions to determine whether the credit union should be issued a certificate of organization.

3. The application shall be executed [in triplicate] by the credit union by its [president] chair or a vice [president] chair and verified by him or her.

4. There shall be delivered to the director of the division of credit unions with the application a copy of its certificate of organization in the state in which it is organized, and all amendments thereto and a copy of its bylaws and amendments duly authenticated by the proper officer of the state or country where it was organized. There shall also be submitted a statement similarly authenticated that the credit union is in good standing in the state or country.

5. (1) When the application is filed in conformity with the foregoing sections and the same fee paid to the director of the division of credit unions as would be paid by applicants for organization of a credit union in Missouri, the director of the division of credit unions, if he or she finds the application is

in conformity herewith, may issue a certificate of organization creating the credit union as a Missouri corporation pending cancellation of its charter in the state in which it is organized, but having a duration of ninety days. A copy of the certificate shall be filed in the office of the secretary of state.

(2) When the director of the division of credit unions receives a certificate duly authenticated by the proper officer of the state or country where it was organized that the credit union's charter in that state has been cancelled, then [he] the director shall issue a certificate of approval as provided for in subsection 2 of section 370.040.

(3) Thereafter, the provisions of subsections 2, 3 and 4 of section 370.040 shall be followed in organizing the credit union as a Missouri corporation.

6. Any credit union organized under the laws of this state and in good standing may transfer its charter to another state or country by complying with the following requirements:

(1) The proposition for the transfer shall first be approved by the board of directors of the credit union and a date set for a vote thereon by the members. Written notice of the proposition to transfer and of the date of the members' meeting to vote on the same shall be mailed or delivered to each member at the member's address as it appears on the credit union records, not more than thirty nor less than seven days prior to the date. Approval of the proposition to transfer shall be by the affirmative vote of a majority of the members voting in person or by a written or electronic ballot filed with the credit union

secretary on or before the date of the meeting. The board of directors may prescribe the form of the ballot and the procedure for its use.

(2) An application for the transfer shall be filed with the director of the division of credit unions with a statement of the results of the vote of the meeting verified by the affidavits of the president or vice president and the secretary of the credit union within ten days after the date of the meeting.

(3) The transfer of the credit union to another state or country shall be subject to the approval of the director of the division of credit unions.

(4) After the application and approval, there shall be filed with the director of the division of credit unions a written certificate duly authenticated by the official of another state or country in charge of issuing credit union charters stating that upon cancellation of the charter of the Missouri credit union it will be organized as a credit union in the state or country with all of the rights of its members unimpaired.

(5) When the foregoing provisions are complied with the director of the division of credit unions may issue a certificate of cancellation of the credit union charter, a copy of which shall be filed with the secretary of state.

370.359. 1. A credit union holding a certificate of organization under the laws of this state may be converted into a federal credit union under the laws of the United States by complying with the following requirements:

(1) The proposition for the conversion shall first be approved, and a date set for a vote thereon by the members,

either at a meeting to be held on the date or by ballot to be cast on or before the date, by a majority of the directors of the state credit union. Written notice of the proposition and of the date set for the vote shall then be delivered in person to each member, or mailed or delivered to each member at the address for the member appearing on the records of the credit union, not more than thirty nor less than fourteen days prior to the date. Approval of the proposition for conversion shall be by the affirmative vote of a majority of the members who vote by written or electronic ballot. All members should be provided the opportunity to vote, without being required to attend the meeting where the proposition is voted on;

(2) A statement of the results of the vote, verified by the affidavits of the [president] chair or vice [president] chair and the secretary, shall be filed with the director of the division of credit unions and the secretary of state within ten days after the vote is taken;

(3) Promptly after the vote is taken and in no event later than ninety days thereafter, if the proposition for conversion was approved by the vote, the credit union shall take such action as may be necessary under the United States law to make it a federal credit union, and within ten days after receipt of the federal credit union charter there shall be filed with the secretary of state and the director of the division of credit unions, a copy of the charter thus issued. Upon filing, the credit union shall cease to be a state credit union;

(4) Upon ceasing to be a state credit union, the credit union shall no longer be subject to any of the provisions of this

chapter. The successor federal credit union shall be vested with all of the assets and shall continue responsible for all the obligations of the state credit union to the same extent as though the conversion had not taken place.

2. A federal credit union, organized under the laws of the United States, may be converted into a state credit union by:

(1) Complying with all federal requirements requisite to enabling it to convert to a state credit union;

(2) Filing with the director of the division of credit unions proof of the compliance, satisfactory to him or her; and

(3) Filing with the director of the division of credit unions a certificate of organization as required by this chapter.

3. When the director of the division of credit unions has been satisfied that all of these requirements, and all other requirements of this chapter, have been complied with, he or she shall approve the organization certificate, a copy of which shall be filed with the secretary of state. Upon approval, the federal credit union shall become a state credit union as of the date it ceases to be a federal credit union. The state credit union shall be vested with all of the assets and shall continue responsible for all of the obligations of the federal credit union to the same extent as though the conversion had not taken place.

[370.270. A credit union may charge an entrance fee, as may be provided in the bylaws which shall, however, not exceed one dollar. Fully paid-up shares may be transferred to any person upon election to membership, upon such terms as the bylaws may provide and upon the payment of a transfer fee which shall not exceed one dollar.]