



Credit Union Board Modernization Act

Description: H.R. 6889, the Credit Union Board Modernization Act is sponsored by Reps. Juan Vargas (D-CA) and Anthony Gonzalez (R-OH). The Senate companion bill, S. 4325, is led by Senators Kyrsten Sinema (D-AZ), Thom Tillis (R-NC), Alex Padilla (D-CA), and Bill Hagerty (R-TN).

This bill is a very simple change allowing credit union boards to meet every other month rather than every month, under current law. Exemptions will be made for de novo credit unions in their first five years.

Additionally, in the House version, any credit union with a CAMELS composite score or a management score of 3 or above is exempted until they can improve their score, at which point they can meet six times per year if they so choose. In the Senate version, any credit union with a CAMELS composite score above 4 is exempted until they can improve their score.

Outlook over the next few months:

The House bill was marked-up in the House Financial Services Committee on July 27th and will likely be voted on in the House in September. The Senate bill is awaiting action in the Senate.

Talking Points:

- This outdated meeting requirement can place a burden on credit union staff and their board members, especially smaller credit unions with few employees and those in rural areas.
- The amount of resources it takes for a credit union to run a monthly board meeting can shift employee time away from the services that a credit union provides to its community.
- This bill promotes safety and soundness for the whole system by incentivizing high performing credit unions.

Ask for House offices: Please support H.R. 6889 when it comes to the House floor in September.

Ask for Senate offices: Please cosponsor S. 4325 and do not oppose any efforts for Unanimous Consent (UC) in the Senate.