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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO FINANCIAL INSTITUTIONS--CREDIT UNIONS

Introduced By: Senator Michael J. McCaffrey

Date Introduced: April 04, 2017

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 19-5-18 of the General Laws in Chapter 19-5 entitled "Credit
2 Unions" is hereby amended to read as follows:

3 **19-5-18. Expulsion of members.**

4 ~~The board of directors~~ Credit union management may expel from the credit union any
5 member who has not fulfilled his or her duties toward the credit union, or has been convicted of a
6 criminal offense, or neglects or refuses to comply with the provisions of this chapter or of the
7 credit union's by-laws, or who habitually neglects to pay debts, or shall become insolvent or
8 bankrupt, or shall have deceived the credit union with regard to the use of borrowed money, but
9 no member shall be expelled until credit union management has provided the member a notice
10 ~~that member has been informed~~ in writing of the charges against him or her, ~~and an opportunity~~
11 ~~has been given to him or her, after reasonable notice, to be heard by the board of directors.~~ The
12 member shall have the right to file a written appeal to the board of directors to reconsider the
13 expulsion notice. No such expulsion shall operate to relieve the member from any remaining
14 liability to the credit union.

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would transfer the expulsion power of members to credit union management
- 2 from the board of directors, provide written notice to the member of expulsion, and would
- 3 establish a ten (10) business day appeal procedure to the board of directors.
- 4 This act would take effect upon passage.

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