



| Provision | FCUA/NCUA Regs | DC Credit Union Act | Analysis |
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| Calculating Net Worth | 12 USC §1757a(C)(2) Retained earnings balance of the credit union + any amounts that were previously retained earnings of any other credit union with which the credit union has combined... | Sec 101(21) Retained earnings balance of the credit union + other forms of capital approved by the commissioner pursuant to rulemaking. | The DISB Commissioner has flexibility define forms of capital, in addition to membership shares, reserves and undivided earnings and determine what can be used in the net worth calculation. |
| Fields of Membership | 12 USC 1759 (b) Membership field (1) Single common-bond credit union... (2) Multiple common-bond credit union... (3) Community credit union... 1759(c)(2) (2) Exception for underserved areas... | Sec 401(a) The membership of a District of Columbia credit union shall be determined by the board of directors of the District credit union ... Sec 402 – Organizations that Qualify for District credit union membership. Any incorporated or unincorporated organization, and the organization’s employees may be admitted to membership in the same manner and under the same conditions as individuals Sec. 403 – Service to low-income consumers ... (b) The Commissioner may approve the application if at least 50 % of members to be served are: 1) within a recognizable geographic area primarily located in a Low-Income Area or b) qualified to receive benefits from any | This provision gives the DISB Commissioner and the credit union board a lot of flexibility in determining field of membership. The DC provision is less restrictive than the FCUA. |



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| | | <p>program designed to revitalize the local economy or assist the economically disadvantaged. (c)...natural persons enrolled as full-time or part-time students in a college, university, high school, or vocational school ... (d) .. active duty and station overseas shall be conclusively presumed to satisfy the provisions of subsection (b) of this section.</p> | |
| Loans | <p>Various Provisions under 12 USC 1757 that limit loans in several categories.</p> | <p>Sec 701 – Purpose and Condition of Loans A District credit union may loan to members for such purposes and upon such conditions as prescribed by the board of directors. The board of directors shall establish written policies with respect to the granting of loans and the extending of lines of credit, including the terms, conditions and acceptable forms of security.</p> | <p>This provision gives the board more flexibility to establish their own loan policies.</p> |
| Interest Rate | <p>12 USC 17575(A)(vi) The rate of interest may not exceed 15 per centum per annum ...[but may be raised], for periods not to exceed 18 months (currently 18% since 1987)...</p> | <p>Sec 702 – Interest rate Notwithstanding the provisions of any other law in connection with extensions of credit, a District credit union may elect to contract for and receive interest for extensions of credit subject only to the provisions of this Act and rules promulgated under this Act.</p> | <p>The Commissioner will set the interest rate.</p> |



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| <p>Loan Limit</p> | <p>12 USC 1757(a)(x) loans must be approved by the credit committee or a loan officer, but no loan may be made to any member if, upon the making of that loan, the member would be indebted to the Federal credit union upon loans made to him in an aggregate amount which would exceed 10 per centum of the credit union’s unimpaired capital and surplus.</p> | <p>Sec. 704 – Loan Limit The board of directors may place a limit upon the aggregate amount to be loaned to, or cosigned by, any one member; provided that the aggregate of loans to any one member shall not exceed 5% of the District credit union’s Capital or 1% of shares and Deposits, whichever is greater. This limit shall not apply to loans that are fully secured by shares or Deposits in the District credit union.</p> | <p>The District act allows the limit to based on capitol or shares and deposits.</p> |
| <p>Public Comment / Hearings</p> | <p>12 CFR Appendix B to Part 701 V.A.2 - ... For an applicant seeking a community charter for an area with multiple political jurisdictions with a population of 2.5 million people or more, the Office of Credit Union Resources and Expansion (CURE) shall: (1) Publish a notice in the Federal Register seeking comment from interested parties about the proposed community and (2) conduct a public hearing about this application.</p> | <p>Sec 202. Certificate of Charter (a) upon the filing of a complete charter application pursuant to section 201, the following procedures shall apply: (1) Commissioner shall publish periodic listings of all pending applications in the federal register. (2) accept public comment and may hold hearing</p> | <p>The District will accept public comment on all applications and may hold hearings. The NCUA only requires hearings on community charter applications for an area with multiple political jurisdictions with a population of 2.5 million.</p> |
| <p>Incidental Powers</p> | <p>12 USC 1757 (17) to exercise such incidental powers as shall be necessary or requisite to enable it to carry on effectively the business for which it is incorporated.</p> | <p>Sec. 302 Incidental Powers A credit union may exercise all incidental powers, as permitted by law and within the purposes stated in these sections or incidental to these sections, that are convenient, suitable or necessary to enable it to carry out its purposes.</p> | <p>The DC Act has a broader interpretation of the term “incidental” to include convenience and suitability.</p> |



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| <p>Parity</p> | <p>N/A</p> | <p>Sec. 303 The Commissioner may authorize District credit unions to exercise, and the Commissioner may establish conditions or limitations for the exercise of, any of the powers conferred upon Federal Credit Unions and upon Foreign Credit Unions operating in this District.</p> | <p>This section is meant to equal the playing field between district and federally chartered credit unions.</p> |
| <p>Membership Termination</p> | <p>12 USC 1764(a) ... a member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for the purpose, but only after opportunity has been given him to be heard.</p> <p>(b) Expulsion based on nonparticipation ... (c) Liability to credit union.—Withdrawal or expulsion of a member pursuant to either subsection (a) or (b) of this section shall not operate to relieve him from liability to the Federal credit union...</p> | <p>Sec 407 Membership Termination. (1) 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 District credit union, a violation of the membership agreement or any policy or procedure adopted by the board, or inappropriate behavior such as physical or verbal abuse of credit union members or staff. All members shall be given written notice of such policies. Any person expelled by the board shall have the right to request a hearing before the board to reconsider the expulsion. (2) A District credit union may terminate the membership of any member who withdraws his or her shares to less than one par share. (3) 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 ... within any 12 month calendar period.</p> | <p>The DC provision for termination of membership gives the board of directors the sole power to terminate a membership for cause while the FCUA requires a 2/3 vote of the members who are present at a special meeting.</p> |



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| <p>Proxy voting</p> | <p>12 USC 1760 Members' meetings...No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated for the purpose. Irrespective of the number of shares held, no member shall have more than one vote</p> | <p>Sec. 409 (2) There shall be no voting by proxy, except on the election of directors, proposals for merger, or proposals for voluntary dissolution. All voting on the election of directors shall be by ballot, but when there is no contest, written ballots need not be cast. A member may vote by absentee ballot, mail ballot or other method if the bylaws so provide.</p> | <p>The DC Act allow for proxy voting in certain circumstances.</p> |
| <p>Committees</p> | <p>12 USC 1761 Management. —(a) Board of directors, credit committee, and supervisory committee; election to board.—The management of a Federal credit union shall be by a board of directors, a supervisory committee, and where the bylaws so provide, a credit committee. The board shall consist of an odd number of directors, at least five in number, to be elected annually by and from the members as the bylaws provide. Any vacancy occurring on the board shall be filled until the next annual election by appointment by the remainder of the directors.</p> | <p>Section 503. Appointment of Committees. (a) Audit Committee. The board of directors shall appoint from among the members of the credit union, an audit committee of not less than 3 persons at the organization meeting held within 30 days following each annual election for such terms as the bylaws provide...</p> | <p>The DC act only requires an audit committee. The FCUA requires a supervisory committee and allows for a credit committee.</p> |
| <p>Compensation of Officials</p> | <p>12 USC 1761 (c) Compensation. —No member of the board or of any other committee shall, as such, be compensated, except that reasonable health, accident, similar insurance protection, and the</p> | <p>Sec. 505 A District credit union may compensate an officer, director or committee member for their services to the District credit union. Providing reasonable life, health, accident and similar insurance protection shall not be considered</p> | <p>The DC act allows for compensation for officers, directors and committee members. The FCUA does not allow compensation.</p> |



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| | reimbursement of reasonable expenses incurred in the execution of the duties of the position shall not be considered compensation. | compensation. Directors, officers and committee members may be reimbursed for necessary expenses incidental to the performance of the official business of the District credit union. | |
| Investments | 12 CFR § 703.14 | Sec. 801 Authorized Investments Very broad | The DC Act has a very broad list of allowable investments to include anything that the Commissioner approves. |