

RESOLUTION TO AMEND BY-LAWS OF
LA INMACULADA CREDIT UNION LIMITED.

WHEREAS the Board of Directors has deemed it necessary to review and update the By-Laws of La Inmaculada Credit Union Limited to reflect the new Credit Union Act 2011.

AND WHEREAS the Board of Directors have complied with provisions required to amend the By-Laws, that is,

- a) copies of the proposed amendments have been made available to members,
- b) more than seven days required notice has been given,

BE IT RESOLVED THAT THE AMENDMENTS
RECOMMENDED BY THE BOARD OF DIRECTORS BE
ADOPTED AT THIS MEETING.

Dated this 22nd day of June, 2019

2019 RECOMMENDED AMENDMENTS TO LICU BY-LAWS

Kindly take note that text in green are inclusions and text in red are deletions.

By-laws: Interpretation:

- “Member” shall mean a person or business other than a cooperative, especially if the business has some common bond with the other members of the credit union **and is not an undischarged bankrupt.**

Proposed amendment June 2019 and as per CBB letter dated May 8, 2008

- “Registrar” shall mean the **Registrar of Credit Unions as specified in section 5 of the Act.**

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008.

- “Board of Directors” shall mean the governing body of the credit union to whom the management of its affairs is entrusted and which shall be constituted in accordance with the provisions of the By-laws **7 (change from 27)** herein.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. **Section to be deleted.**

By-Law Article I – Name and Objects

- Throughout the document **SOCIETY IS NOW** changed to **“CREDIT UNION”**

Proposed amendment for June 2019. **Section to be deleted.**

By-Law Article II – Membership and Sphere of Operations

(A member may be expelled by a two-third vote of the Board of Directors at a meeting duly called to consider the matter. An appeal from the action of the Board of Directors may be taken to the next general meeting by the member provided that the written notice of intention to appeal shall be given to the secretary within fifteen days from the date of receipt of notice if expulsion. At such meeting a two-thirds majority of the members present may confirm or rescind the action of the Board of Directors.)

2. The Board of Directors may order the termination of membership of a member by at least a two-thirds majority of the directors present at a meeting called for the purpose, the execution of such order shall be in accordance with the rules.

- Members who fail to pay amount due under a loan.
- Members who fail to provide collected funds to cover account withdrawals or personal drafts or checks.
- Members who fail to provide collected funds to cover Credit Union drafts/checks purchased by the member.
- Members who fail to pay fees or charges due to the Credit Union for any reason.

- Members who engage in check kiting, attempted or actual deposits of counterfeit checks or other non-negotiable items, external transfers between checking and/or savings accounts which result in overdrafts, attempted or actual theft of credit union or other member's funds or activities in which member illegally or fraudulently attempts to obtain funds not due the member.
- Members who are verbally and/or physically abusive or harassing to a credit union employee and/or volunteer.
- Member neglects to pay his/her debts, or otherwise causes financial loss to the credit union
- Members threatening staff who deny loan applications or other services, members who engage in inappropriate conduct or language directed at staff based on sex, race, national origin, marital status, sexual orientation, physical or mental impairment, age, or membership in the uniformed services, or similar activity whereby staff are subjected to verbal or physical abuse
- Members who fail to protect blank personal checks and fail to secure and maintain accounts, cards, i.e. ATM, Debit, Credit, Personal Identification Numbers (PINs), passwords, pass codes and records.
- Members who have misrepresented information.
- Members who engage in fraudulent or criminal activity against the credit union.

Proposed amendment June 2019. **Section to be deleted.**

By-Law Article II – Membership and Sphere of Operations - continued:

3. A person removed from membership as per above may be readmitted to membership only by a two-thirds majority vote of members present and voting at a general meeting.

5. The credit union shall keep a “register” (*not registrar*) to be called the “Register of Members’ wherein shall be entered:

- d) The beneficiary/ies (*change from nominees*) appointed
- e) Valid Social Security or Passport

6. Joint accounts may be held by any two or more adult members. Joint account may be considered under joint tenants or tenants in common

A joint account under joint tenant includes rights of survivorship. This means that when (1) owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner’s interest is subject to the Credit Union’s statutory lien for the deceased owner’s obligation, and to any security interest or pledged granted by a deceased owner, even if the surviving owner did not consent to it.

Joint accounts under "tenants-in-common" is where the account is owned in divisible shares. So each of the co-owners has a quantifiable share. They may own the asset equally, as in 50%/50%, or in any other proportion. When one co-owner dies his share passes to his estate and not to the other co-owner (like in the case of the joint tenant).

Proposed amendment June 2019. **Section to be deleted.**

By-law Article III: Minors

1. Shares may be issued in the name of a minor, or in trust thereof. When shares are so issued in trust, the trustee **may** (*must*) be a member of this credit union in his own right, and the name of the beneficiary must be stated. Minors may be allowed to enter and pay in on shares or deposits, in their own name.

3. When the minor reaches the age of 18, the individual automatically assumes full rights and accesses to the account.

Proposed amendment June 2019. **Section to be deleted.**

By-law Article VI: Loans

6. *(A loan application by a minor may be made in his own name with the approval of his/her parents or guardians.)*

6. A loan application using a minor's account as a comaker, due to it being within shares, requires the approval of the trustee/custodian of the account up until the minor becomes eighteen years old.

Proposed amendment June 2019. **Section to be deleted.**

By-law Article VII: Board of Directors

2. Any vacancy of the board of directors shall be filled within 30 days (*change from 14 days*)

3. If a member of the board fails to **unjustifiably** attend three regular consecutive monthly meetings, his office may be declared vacant and the vacancy may be filled as herein provided.

5. The order of business at monthly meetings **may** (*change from shall*) be as follows **or as otherwise deemed necessary**:

6. Meetings of the Board shall be summoned in writing and the office shall give reminders on the required date. (*at the previous Board Meeting to be recorded in the minutes*)

7. At the first meeting of the Board of Directors, which shall be held within ten (10) days of their election, the board shall elect from their own number, a president, a vice-president, a secretary, **and treasurer**. The office of the secretary and treasurer may be combined in one person.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008; **Section to be deleted.**

10. *f) To determine interest rates on loans and deposits;*
 - i) To determine *from time to time the interest rates on loans and* the maximum amount that may; be loaned with or without security, to any member within the prescribed law.
 - m) To authorize the Manager of the Credit Union to borrow money from any source, in a total sum which shall not exceed fifty percent of its assets.*

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. **Section to be deleted.**

By-Law Article VIII – Credit Committee:

3. If a member of the Credit Committee fails to attend three regular consecutive meetings, his office may be declared vacant and an appointment to fill the post may be made by the Board of Directors *or Credit Committee* from the general membership until the next annual general meeting.

Proposed amendment June 2019 and as per CBB letter dated on May 13, 2008. **Section to be deleted.**

5. The Credit Committee elected by the shareholders at each annual meeting chooses from their number a *chair (Change from Chairman)* and a secretary. The secretary shall maintain full correct record of all action taken by the said committee.

Proposed amendments June 2019. **Section to be deleted.**

9. Except for loans approved by a loan officer, no loan application considered by the Credit Committee shall be regarded as approved unless it receives the approval of a every member of the Credit Committee. *present at the meeting at which such application is considered.*

Proposed amendments June 2019. **Section to be deleted.**

12. he *authorized staff (change from Manager)* shall inquire carefully into the character and financial position of each applicant for a loan and security if any, to ascertain the ability of the borrower to repay fully and promptly the obligations incurred in making a loan, and to determine whether the loan sought is for provident and productive purposes and will be probable benefit to the borrower. *The manager shall endeavor to assist applicants in their financial problems.*

Proposed amendment June 2019. **Section to be deleted.**

13. The *authorized staff (change from Manager)*, subject to the limits imposed by these bylaws and the instructions of the Board of Directors, shall determine the security if any, which shall be required for each loan and the terms on which it shall be repaid.

Proposed amendment June 2019. **Section to be deleted.**

By-Law Article IX – Supervisory Committee:

1. The Supervisory Committee shall be elected at the annual general meeting of the credit union (*society*) and shall consist of not less than three (3) members, all of whom shall be members of the credit union (*society*). Each member shall hold office until his successor is elected and shall be eligible for re-election. If a member of the Supervisory Committee fails to attend three regular unjustified consecutive meetings, his office may be declared vacant and the vacancy may be filled herein as stated by the following sentence. The committee may fill vacancies in its own membership until the next annual general meeting, when successors shall be chosen.

2. The Supervisory Committee shall choose from among their number a chair (*change from Chairman*) and a secretary.

4. The Supervisory Committee shall cause the passbooks of the members and all accounts to be verified with the records of the credit union (*treasurer*) from time to time, not less frequently than once every year.

5. By a unanimous vote of the Supervisory Committee may suspend until the next meeting of members, any director, officer or member of the Credit Committee. In the event of such suspension, the Supervisory Committee shall call a special meeting of the members to act on the said suspension within fourteen (14) days thereof. The notice of such meeting shall state the purpose for which it is held.

5. A person who is a member of the Board or Credit Committee or who is an employee of the credit union or was such an employee within the preceding three years shall not become a member of the Supervisory Committee.

8. The Supervisory Committee shall by a majority vote of its members, call a special general meeting of the members to consider any violation of these bylaws or any practice of the society, which in the opinion of the committee is unsafe and unauthorized.

8. The Supervisory Committee shall meet once a month and minutes and reports of these meetings should be submitted to the joint Board of Directors, Credit Committee and Supervisory Committee meetings held every quarter.

9. In the process of their examination, the committee shall examine all applications for loans made during the period under examination and satisfy themselves that for *each* loans made, an application is on file and that each application states the purpose for which the loan is made, the description of the security, if any offered, and that it bears the approval of the Credit Committee.

11. Two members shall constitute a quorum.

Proposed amendment June 2019 and as per CBB letter dated May 8, 2008. **Section to be deleted.**

By-Law Article X – Board Officers and Duties

ARTICLE X

Board of Directors and Duties

1. The **directors** of the **credit union (society)** shall be a president, a vice-president, a secretary and a treasurer, all of whom shall be elected by the Board of Directors in accordance with Article 7, Bylaw 7 at the first meeting which shall be held within ten (10) days of their election, and the said officers shall hold office until their successors are elected. **Election to the respective posts of president, vice president, secretary and treasurer may be held at the prerogative of the Board of Directors.**

2. **President** : The duties of the president shall be to preside at meetings of the members and of the Board of Directors, to countersign all cheques, notes, drafts and other orders for the disbursements of funds of the **credit union (society)**, and shall perform such other duties as customarily appertain to the office of the president or as he/she may be directed to perform by resolution of the board of directors, not inconsistent with the law and these bylaws, and in addition such duties as the Act and Regulations may require to be performed by the **chair (change from Chairman)** of the committee of management.

Proposed amendment – June 2019. **Section to be deleted.**

3. **Vice-President**: The duties of the vice-president are to perform the duties of the president in case of absence or disability of that director. **(change from officer)**

Proposed amendment June 2019. **Section to be deleted.**

8. A quarterly joint Board of Directors, **Credit and Supervisory Committees** meeting shall be held at which meeting the committees' monthly report shall be studied.

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008

By-Law Article XI – Meeting of Members:

5. At any meeting a resolution put to the vote shall be decided by a show of hands unless voting by ballots is demanded by at least fifty (50) **(change from three)** of the members present before declaration of the result by the show of hands, and in such case, voting by ballot shall be taken

6. **(b) to approve budget**

7. **(7) budget**

Proposed amendment – June 2019. **Section to be deleted.**

9. Special general meeting may be called by the Board of Directors upon their own initiatives, and shall be called by them at the request of the Registrar. The purpose of the general meeting shall be set forth in the notice and only such business as is described in the notice may be dealt with at such meetings.

Proposed amendment and as per CBB letter dated May 13, 2008. **Section to be deleted**

10. If the Board of Directors fail to convene a meeting within fourteen days from the receipt of a demand as aforesaid, *(the Supervisory Committee or the members applying for such a meeting)* the Registrar will have the right to convene the meeting by notice which must contain the object proposed meeting and a statement to the effect that the meeting is convened on the failure of the Board of Directors to convene the meeting demanded.

Proposed amendments and as per CBB letter dated May 13, 2008. **Section to be deleted.**

12. No political, sectarian, *or* racial *or* discriminatory discussion shall be raised or resolution proposed, either at any committee, board, or general meeting of the credit union.

Proposed amendment June 2019. **Section to be deleted.**

14. At annual or special meetings, 5% *(change from 10%)* of the total membership shall constitute a quorum, or 500 *(change from 1,000)* whichever is less.

Proposed amendment June 2019. **Section to be deleted.**

By-Law Article XII – Elections:

5. Nominations and elections shall be in the following order:

- (a) Nomination of Board of Directors
- (b) Election of Board of Directors

6. Elected board of directors and committee members shall serve a term of three (3) years after which they shall be eligible for re-election and may hold office for three (3) consecutive terms of three (3) years each. *before retiring for a minimum of one (1) year, after which they may be re-elected for another term.*

Proposed amendment June 2019 and as per CBB letter May 8, 2008. **Section to be deleted.**

By-Law Article XIII – Termination of Office:

1. (a) Resigns by giving notice in writing to the Board, or in the case of other committees, to the chair *(change from Chairman)* of the respective committee.

(h) fails to attend three (3) unjustified consecutive meetings of the Board, the Supervisory Committee or Credit Committee without due excuse and without giving satisfactory explanation to the Board or the relevant committee within seven (7) days of his absence from the third meeting.

2. Directors or committee members who offer themselves as candidates for or who are elected or appointed to political office, **must first resign from office or may be removed from (shall relinquish)** their position on the Board or relevant committee.

Proposed amendment June 2019. **Section to be deleted.**

By-Law Article XIV – Reserves & Liquidity:

2. *The reserve fund shall be indivisible property of the society, and may be applied with the sanction of the Registrar to meet bad debts or losses sustained through extraordinary circumstances over which the society has no control.*

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. **Section to be deleted.**

By-Law Article XV – Dividends:

1. At the annual general meeting only, on recommendation of the Board of Directors, a dividend may be declared from the current year's net surplus remaining after setting aside the 10% to the reserve fund, if required, and loans loss reserve respectively. Any such dividend shall be paid only on shares fully paid up before March 1, and outstanding on March 31, of the preceding year. *In the case of any share which becomes fully paid up during such year and prior to October 1, thereof, the holder shall be entitled to receive a proportional part of the said dividend calculated from the first day of the month following such payment in full. Shares withdrawn during the year shall receive no dividend.*

Proposed amendments June 2019 and per CBB letter dated May 13, 2008. **Section to be deleted.**

2. *(Every)* Members who, at the time of the declaration of a dividend, is delinquent, **PAR 30 for 6 months**, under the Loan Policy shall be deemed to have waived their right to receive or participate in such dividends.

Proposed amendment June 2019. **Section to be deleted.**

By-Law Article XVI – Banking Accounts:

The Board of Directors **shall select Credit Unions and financial institutions in accordance with Section 46 (1) of the Act in which the bank accounts of the Credit Union shall be kept. All cheques shall be signed and endorsed on behalf of the Credit Union as the Board determines.**

Proposed amendments and s per CBB letter dated May 13, 2008

By-Law Article XVII – Power to Borrow:

1. Subject to the provisions of the law and **regulations the credit union upon a vote of at least three-fourths of** the Board of Directors may borrow from any source on such security and terms of

repayment as they think fit; provided that the total amount borrowed shall not exceed **twenty-five (25) (fifty 50)** percent of the **credit union 's (society's)** capital and **surplus deposits** and may from **time to time borrow monies not exceeding in the aggregate** fifty (50) percent of its combined capital and surplus deposits, upon a vote of three-fourths of the members present *(or one-third of the total membership whichever is the greater,)* taken at an annual meeting of the credit union or at a special meeting called for the purpose, with those voting in support of the resolution representing a majority of the shares issued. **(reserve fund).**

Proposed amendment June 2019 and as per CBB letter dated May 13, 2008. **Section to be deleted.**

By-Law Article XIX – Nomination of Beneficiaries

1. (iii) Such signatures **may (shall)** be witnessed by a Justice of the Peace (JP) or by two authorized officers of the credit union.

Proposed amendment June 2019. **Section to be deleted**

By-Law Article XXII – Amendment to the By-laws:

1. *The by-laws may be amended by the members at an annual or special meeting by a three-fourths vote of the members then present, provided that notice of the said meeting shall have specified the questions to be considered.*

Proposed amendment June 2019. **Section to be deleted.**