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### MEMORANDUM

To: Chairman Knox and members of the House Financial Institutions Committee  
From: Matt Sterling, Assistant Revisor of Statutes  
Date: March 1, 2012  
Subject: Senate Bill 263

SB 263 amends K.S.A. 17-2208, 17-2210 and 17-2211 concerning credit unions and credit committees. Section 1 of the bill would remove the requirement that a credit union's bylaws provide for the appointment or election of a credit committee, instead permitting the board of directors or members to determine its composition. The bill would also remove the requirement preventing a member of the board from being a member of either of the committees. The bill would permit the board of directors to suspend any committee members that had failed to perform their duties until acted upon by the board or the members of the credit union.

Section 2 of the bill would remove the requirement that a credit committee approve every loan or advance made by the credit union. Instead, a credit union would be permitted to have a credit committee, credit manager or loan manager to have the general supervision of all loans. Any member that was denied a loan would have the right to appeal that decision to the board of directors.

Section 3 of the bill changes the requirement to suspend an officer of the credit union, a member of the credit committee or a member of the credit union board of directors . Under current law, a unanimous vote is required for the supervisory committee to suspend someone. The bill would change this requirement to a vote of 2/3 of the committee and give any person suspended the right to appear at the meeting.