

STATE OF MINNESOTA

DEPARTMENT OF COMMERCE DIVISION OF FINANCIAL INSTITUTIONS

PROCEDURE TO ORGANIZE A MINNESOTA CREDIT UNION

1. The seven organizers should execute the following after study of the provisions of Chapter 52, Minnesota Statutes, Credit Unions, Minnesota Rules 2675.6100 to 2675.6301, Credit Unions and the By-Laws recommended as standard. Minnesota Statutes are available at <https://www.revisor.mn.gov/statutes/>. Documentation listed below is attached:
 - a. By-Laws, 2 copies
 - b. Certificate of Organization, 2 copies
 - c. Charter Petition and supporting attachments
2. Simultaneously applicant should apply to and obtain a commitment for insurance of share and deposit accounts from the National Credit Union Administration (NCUA) under the provisions of Minnesota Statutes, Section 52.24, Subdivision 2. An Application for Insurance of Accounts with the NCUA is attached.
3. These documents, petitions, commitments, feasibility study, operating plan, policies, should be forwarded to the Commissioner of Commerce, Department of Commerce, 85 7th Place East, Suite 280, St. Paul, Minnesota 55101-2198. The required documents must be accompanied by a \$1,000 check payable to the **"Department of Commerce"**. The application fee may be waived by the Commissioner for a credit union to be located in a low- or moderate-income area as defined in Code of Federal Regulations, title 12, part 25(1), (n)(1) and (n)(2) and where no other depository institution operates an office. Additionally, pursuant to Minn. Stat. sec. 176.182, the credit union must provide a copy of the declaration page of the credit union's workers' compensation policy or other evidence of current coverage in force.
4. The original organizers should call a meeting of the entire membership group, at which time the organization of the credit union should be completed:
 - a. First elect to membership all those who are present and who are eligible for membership.
 - b. Then proceed to elect the directors, credit committee and supervisory committee.
 - c. Fix the amount of entrance fee, if any, for the ensuing year.
 - d. Fix the maximum amount of deposit which any one member may make.

The term of office of each director may be stated according to the By-Laws. The minutes of this meeting, as well as of subsequent meetings of members, must show the number of members present and must be signed by the presiding officer and clerk.

5. Immediately following the above meeting of the members, the directors should meet and organize its body by electing from their own number, a president, vice president, treasurer and secretary, of whom the last two named may be the same individual.

Then proceed as follows:

- a. Determine interest rates on loans and on deposits.
- b. Fix the amount of the surety bond which shall be required of all officers and employees handling money.
- c. Determine maximum individual loan which can be made with and without security (co-maker may be deemed security), and the maximum amount any one individual may become obligated to the credit union collectively as maker or co-maker.
- d. Designate a bank depository for the funds of the credit union.

Minutes of the director's meeting, as well as of subsequent meetings, must be written up by the secretary or clerk, signed by that person and the president, and must give the names of the directors present.

6. The report of the organization meeting, together with a transcript of the minutes, must be forwarded to the Commissioner of Commerce immediately after the meeting.
7. When all of the above steps have been completed, the Commissioner of Commerce will give final approval and the credit union will be assigned its official number.
8. **NO CREDIT UNION MAY OPEN FOR BUSINESS UNTIL COMPLETELY ORGANIZED WITH FINAL APPROVAL GRANTED BY THE DEPARTMENT OF COMMERCE. THE PROCEDURE OUTLINED ABOVE MUST BE FOLLOWED IN ALL CASES.**

Should there be any questions concerning this application procedure, please call Aeton de Long-Hersh, Director of Credit Unions, at (651) 539-1697.

85 7TH PLACE EAST, SUITE 280 / ST. PAUL, MINNESOTA 55101-2198 / TELEPHONE: 651/539-1700/ FAX: 651/539-1548 E-MAIL: FINANCIAL.COMMERCE@STATE.MN.US
WEB SITE: MN.GOV/COMMERCE
AN EQUAL OPPORTUNITY EMPLOYER

MN/DOC 1/2025

Credit Union No. _____

REPORT OF ORGANIZATION MEETING OF THE

_____ Credit Union

Located at _____, Minnesota

(Give number and street, if any)

Date of Meeting _____, _____. Number present _____

Were the By-Laws, under which this credit union will operate, read and studied by the original organizers?

_____ Yes. _____ No.

By-Laws as adopted provide for a board of _____ members.

The following members were elected to serve as the first board of directors:

<u>Name</u>	<u>Address</u>	<u>Term</u>
_____	_____	_____(Yrs.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Show term of office after each name)

The following members were appointed to serve on committees:

<u>Credit Committee</u>	<u>Supervisory Committee</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

The board of directors then met and elected the following officers:

Chairperson _____

(President)

Vice-Chairperson _____

(Vice-President)

Treasurer _____

Amount of Bond \$ _____

Secretary _____

Will open for business on _____, _____.

I, _____, Secretary-Treasurer of _____
_____ Credit Union, do hereby certify that the foregoing is a correct list of the officers,
directors and committee members, and attached hereto is a correct transcript of the minutes of the organization meeting of said credit
union.

Secretary-Treasurer

CERTIFICATE OF ORGANIZATION

of the

Credit Union

We, the undersigned, all being residents of the State of Minnesota, hereby apply to the Commissioner of Commerce, for permission to organize a credit union under the provisions of Minnesota Statutes, Chapter 52, as amended, and to that end have executed in duplicate this Certificate of Organization by the terms of which all of the subscribers agree to be bound.

1. The name of this credit union shall be

and the location and place of business shall be

2. The names and addresses of the subscribers to this Certificate and the number of shares subscribed by each are as follows:

Name	Address	No. of Shares Subscribed
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. The par value of the shares of this Credit Union shall be _____ (_____) Dollars.

4. IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of

_____, _____:

(In the presence of two witnesses)

(Sign exactly as names appear above)

STATE OF MINNESOTA)

COUNTY OF _____) ss.

On this _____ day of _____, before me, a Notary Public in and for _____ County, personally appeared the above named seven subscribers to me known to be the persons described in and who executed the foregoing instrument and acknowledged that each executed the same as their free act and deed.

Notary Public _____

NOTARY SEAL

County of _____

My commission expires _____

**STATE OF MINNESOTA
DEPARTMENT OF COMMERCE**

This is to certify that I have examined the foregoing Certificate of Organization and the By-Laws adopted by the _____ and have found and determined that they comply with the provisions of Minnesota Statutes, Chapter 52, as amended, and have determined that the organization of this Credit Union will benefit its members and be consistent with the purposes of the Act, and I hereby certify that I have approved the organization of said Credit Union this

_____ day of _____, _____.

Deputy Commissioner of Commerce

(SEAL)

OFFICE OF THE SECRETARY OF STATE

ST. PAUL, MINNESOTA

I hereby certify that the within instrument was recorded in this office on the

_____ day of _____, _____,

at _____ o'clock M., and duly recorded in Book _____

of _____, Page _____.

Secretary of State

Notary Public _____

County of _____ My

expires _____

NOTARY SEAL

commission

MINNESOTA DEPARTMENT OF COMMERCE
Division of Financial Examinations
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

CREDIT UNION CHARTER PETITION

1. Please type.
2. The information which you provide will be used in connection with your application pursuant to M.S. 52.
3. Forward the completed form, with attachments, to the above address.

1. Proposed Name of Credit Union	2. Contact Person
Street Address	Street Address
City, State Zip Code	City, State Zip Code

3. Explain fully the common bond of the proposed credit union.
4. Detail the makeup of the proposed field of membership; including geographic dispersion. Number of potential members:
5. If common bond is residents of a well-defined neighborhood, community, or rural district, what financial services are now available within this area? (Community Credit Unions)
6. In developing the credit union plan, comment on the discussion of the purpose of a credit union, how it operates, how it will be managed, and the responsibility of management. This is to include operating policies for each proposed service.
7. Provide a two-year forecast of probable levels of assets, shares and deposits, and income and expense. This should be developed on a quarterly basis.
8. Describe sponsor support of the establishment of the credit union. (Business/Occupational Credit Unions)
9. What support will the business/occupational credit union sponsor provide: <ul style="list-style-type: none">• Office space:• Payroll deduction:• Management:• Clerical Assistance:• Financial: Will credit union operate on the sponsor's property? <input type="checkbox"/> Yes <input type="checkbox"/> No

10. Provide the following information for proposed credit union president or treasurer/manager, the Directors (at least 5), the Credit Committee Members (3), and the Supervisory Committee Members (3). Attach additional pages, if necessary.

Full Name/ Occupational Title	Residence Address	Business Address	Background Information Including Other Occupation

Standard Credit Union (revised 2025)

Bylaws Of

Credit Union

Article I

Purpose and Powers

Section 1. The purpose of this credit union is to promote thrift among its members and create a source of credit for them at legitimate rates of interest. The credit union shall have all the rights, powers, and privileges incidental to, or necessary for, the accomplishment of its objectives.

Article II

Membership

Section 1. Membership in this credit union is composed of those who

and subscribe to and maintain at least one share as designated by the Board of Directors (hereinafter “Board”), pay the initial installment thereon and the entrance fee if any. In addition to a regularly qualified member, the household of a member, including but not limited to, the spouse of a member, the blood or adoptive relatives of them and their spouses may be members.

Section 2. When an individual member leaves the field of membership, that member and all individuals who became members by virtue of his or her membership, may continue as members. The surviving spouse of a regularly qualified member, and the blood or adoptive relatives of either of them or their spouses may become members.

Section 3. Organizations composed for the most part of the same general group as the credit union membership, may be members. Credit unions chartered by this or any other state or federal credit unions may be members.

Section 4. (Optional) A member who is disruptive to credit union operations may be subject to limitation of services and access to credit union facilities as well as expulsion. The Board may adopt a procedure and policy for expulsion of members for cause and for nonparticipation in accordance with applicable law.

Article III

Meetings of Members

Section 1. The annual meeting of the members shall be held each year at such place, date and time as the Board shall determine as convenient to the membership.

Section 2. At least ten days before any regular meeting, and at least seven days before any special meeting, written notice shall be given to each member, and in the case of the special meeting, the notice shall clearly state the purpose of the meeting, location, and what matters will be considered thereat and the order of business.

Section 3. At annual or special meetings 15 members shall constitute a quorum. If no quorum is present, an adjournment shall be made to a date not less than seven days thereafter and the decision of the adjourned meeting shall be binding without a quorum present. Written notice of an adjourned meeting shall be given by the secretary to each member five days prior to the date thereof.

Section 4. The order of business at annual meetings shall be set forth by the Board.

Section 5. Special meetings of the members may be called by the chair of the Board, or by a majority vote of the Board or the Supervisory Committee. A special meeting shall be called by the chair of the Board within 30 days of the receipt of a written request of 50 members or 10% of the members, whichever number is larger.

Section 6. Annual and special meetings shall be presided over by the chair of the Board or their designee. The presiding officer shall determine the order of business.

Article IV

Board of Directors

Section 1. The initial Board shall consist of at least five members, ☐ who shall serve until the next annual meeting, ☐ who shall serve until the second annual meeting, and ☐ who shall serve until the third annual meeting, or until their successors are elected and qualified. Directors elected to fill the expiring terms of the initial Board shall be elected for three years.

Section 2. At their first meeting, and annually thereafter at the first meeting following the annual meeting of the members, the directors shall elect from their own number a chair of the board, vice- chair , and from their own number or otherwise a treasurer and secretary, of whom the last two may be the same individual, and the directors may engage such other employees as may be necessary to properly conduct the business of the credit union.

Section 3. The Board shall conduct regular meetings not less than once every three months. In any month that the Board does not have a meeting, the Board shall be provided with such financial and other information as may be required or desired by the Board to carry out its fiduciary and other duties, including, but not limited to, those duties arising under Section 52.09 of the Minnesota Statute (as the same may be hereafter amended). At least two-day's notice of regular or special meetings shall be given each director. The two-day notice may be waived upon unanimous consent of the Board. All meetings of the Board shall be governed by the current version of Robert's Rules of Order.

Section 4. Special meetings may be called by the chair of the Board and shall be called by the secretary at the request of three or more directors.

Section 5. A quorum shall consist of a majority of the Board. If there is no quorum at any regular or special meeting, the directors shall adjourn until a quorum is in attendance.

Section 6. Any action required or permitted to be taken at a Board meeting may be taken by written action signed collectively, or individually in counterparts, by the number of directors that would be required to take the same action at a meeting of the Board. Any such proposed action shall be sent to all directors in advance and written action shall be effective when signed by the required number of directors indicated above, unless a different effective time is provided in the written action. When any written action is taken by less than all directors, all directors shall be immediately notified of the action taken and effective date.

Section 7. Any vacancies in the Board between annual meetings shall be filled by the Board until successors are chosen to fill the unexpired term at the next annual meeting and are qualified. If a member of the Board fails to attend three regular meetings within a 12-month period, unless excused for cause, the office shall be declared vacant and the vacancy filled as provided in this Section.

Section 8. A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a Board meeting, if the number of directors participating in the conference would be sufficient to constitute a quorum at a meeting.

Section 9. A director shall not be held personally liable to the credit union or its members for breach of fiduciary duty as a director, except that a director's liability shall not be reduced or eliminated for any of the following:

- a) for breach of the director's duty of loyalty to the credit union or its members;
for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- b) for a transaction from which the director derived an improper personal benefit; or
- c) for an act or omission occurring prior to the date when the provision in the bylaws eliminating or limiting liability becomes effective.

Section 10. (Optional) Credit union shall indemnify current and former directors, officers and committee members against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise.

Article V

Officers

Section 1. The officers of this credit union shall be a chair of the board, vice-chair, secretary, treasurer, and others as appointed by the Board.

Section 2. The Board shall designate such committee or committees as they deem necessary and appropriate or be required by law or rule for conducting the affairs of the credit union.

Section 3. (Option 1) The membership shall, at the initial organizational meeting or annual meeting, as the case may be, elect a credit committee of not less than three members who shall choose from their number a chairperson and secretary. The secretary shall maintain a full and correct record of all action taken by the committee.

- - OR - -

Section 3. (Option 2) The Board shall appoint a credit committee of not less than three members who shall choose from their number a chairperson or secretary, or both. The secretary shall maintain a full and correct record of all action taken by the committee. The Board shall either reaffirm or make new appointments to the credit committee on an annual basis.

- - OR - -

Section 3. (Option 3) The Board shall appoint a credit manager and shall delegate all necessary and proper authority to the credit manager. The Board shall either reaffirm or appoint a new credit manager on an annual basis.

Section 4. (Option 1) The membership shall, at the initial organization meeting or annual meeting, as the case may be, elect a Supervisory Committee of not less than three nor more than five member who shall choose from their number a chairperson and secretary. The secretary shall maintain a full and correct record of all action taken by the committee. No officer of the credit union, as defined in Section 1, Article V of these bylaws, or a member of alternate member of the credit committee shall serve on the Supervisory Committee.

- - OR - -

Section 4 (Option 2) The Board of Directors shall, at the annual organizational meeting, appoint a Supervisory Committee of not less than three nor more than five members who shall choose from their number of chairperson and secretary. The secretary shall maintain a full and correct record of all action taken by the committee. No officer of the credit union, as defined in Section 1, Article V of these bylaws, or a member or alternate member of the credit committee shall serve on the Supervisory Committee.

Section 5. The chair of the Board shall preside at meetings of the members and of the Board.

Section 6. The vice-chair shall have and exercise all the powers, authority, and duties of the chair of the Board during the absence of the chair of the Board or his or her inability to act.

Section 7. The treasurer shall manage the credit union under the control and direction of the Board unless the Board has appointed a chair of the board (manager or manager/treasurer) to act as a general manager. Subject to such limitations, controls and delegations as may be imposed by the Board, the treasurer shall:

- a) Have custody of all funds, securities, valuable papers and other assets of the credit union in accordance with the forms and procedures prescribed by law.

- b) Sign all notes of the credit union and all checks, drafts and other orders for disbursements of funds.
- c) Provide and maintain full and complete records of all the assets and liabilities of the credit union.
- d) Prepare and submit to the Board a financial statement showing the condition of the credit union as of the end of the month, including a summary of delinquent loans. A copy of such statement shall be posted in the office of the credit union where it will remain until replaced by the succeeding month's financial statement.
- e) Employ such personnel as needed to carry out the day-to-day operations of the credit union.
- f) Perform such other duties as directed by the Board.

Section 8. The Board may appoint a president (manager or manager/treasurer) who shall be under the direction and control of the Board or the treasurer as determined by the Board. The president (manager or manager/treasurer) may be assigned any or all the responsibilities of the treasurer described in Section 7 of this Article.

Section 9. The Board may employ or authorize the president (manager or manager/treasurer) to employ, one or more vice presidents (assistant managers), none of whom shall be a member of the Board, to perform any of the duties of the president (manager or manager/treasurer). The Board may designate any vice president (assistant manager) to act as president (manager or manager/treasurer) during the president's (manager or manager/treasurer) temporary absence or inability to act.

Section 10. The secretary shall keep or cause to be kept correct records of all regular and special meetings of the members and of the Board and such minutes shall be signed by the secretary and attested by the chair of the Board when approved by the Board. The secretary shall give notice of all meetings of the members in the way and manner herein before provided and shall perform or cause to be performed all other duties incident to that office. In the event of the absence or disability of the secretary, the presiding officer shall appoint a temporary secretary who shall take the minutes of the meeting and file them with the minutes of the credit union meetings.

Article VI Elections

Section 1. At the meeting of the Board, at least two months preceding the annual meeting, the chair of the Board shall appoint a nominating committee to nominate at least one member for each vacancy for which elections are being held and report its nominations at the next meeting of the Board. After the nominations of the committee have been placed before the members, the chair of the Board shall call for nominations from the floor. There shall be no nominations from the floor if the election is to be held exclusively by mail ballot or conducted through electronic means. Nominations for elections by mail may only be made by the nominating committee or by petition to the nominating committee signed by at least 50 members or 10% of the total membership, whichever is greater. The petition must be filed with the chair of the Board at least 45 days prior to the annual meeting. When nominations are closed, tellers shall be appointed by the chair of the Board, ballots shall be distributed, the vote shall be taken and tallied by the tellers and results announced.

Section 2. There shall be no voting by proxy provided; however, that any organization, society, or corporation having a membership in the credit union may cast its vote by one person upon presentation by that individual or written authority of such organization, society or corporation. Upon resolution of the Board, credit union members shall be authorized to vote by mail for election of directors, credit committee and supervisory committee members and amendments to bylaws at annual and special meetings. A member shall have but a single vote regardless of the amount of his or her share holdings.

Section 3. All elections shall be by secret ballot in event of contest. No members shall be eligible to vote, to nominate or be nominated, or hold any office unless they own at least one fully paid share.

Section 4. The Board may establish by resolution a minimum age, not less than 18 years of age, as a qualification to hold elective or appointive office, or both.

Article VII

Amendments

Section 1. To amend the certificate of organization or these bylaws by vote of the members, whether at the annual or at a special meeting of the members, proposed amendments shall be set forth in the notice of the meeting as follows:

- a) If balloting by mail or other verifiable means has not been authorized by the Board, then a statement of intent to amend which identifies the proposed amendments shall be set forth in the notice of the meeting; or
- b) If balloting by mail or other verifiable means has been authorized by the Board as either the exclusive means of voting or in conjunction with voting in person, a statement of intent to amend which identifies the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least 30 days prior to the close of balloting by mail. Any amendments to the certificate of organization or bylaws shall be approved by two-thirds of the vote of the members voting, provided the members voting constitute a quorum. A member receiving notice of a proposed bylaw amendment pursuant to this section may request a written copy of the proposed bylaw amendment. This request must be made no later than ten days prior to the close of balloting by mail or the date set for the meeting. The credit union shall provide the member with a written copy of the proposed bylaw amendment upon receipt of the timely request and the original notice must inform the member of the right to make a request. A copy of the proposed amendment shall be posted in the credit union's office for member review 30 days prior to the close of balloting by mail or the date of the meeting.

Section 2. The bylaws and certificate of organization may be amended by a two-thirds vote of the number of directors authorized at any duly convened meeting of the Board, but only after the members of the Board have been given at least 30 days' notice of the meeting and the notice includes a copy of the proposed amendment or amendments. The Board of Directors shall not adopt, amend, or repeal a bylaw fixing a quorum for meetings of members, prescribing procedures for removing directors or filling vacancies in the Board, or fixing the number of directors or their classifications, qualifications, or terms of office, but may adopt or amend a bylaw to increase the number of directors. The Board shall report any amendments to the members at the next annual meeting.

Section 3. If 3% or more of all members propose a resolution for action by the members to adopt, amend, or repeal bylaws adopted, amended, or repealed by the Board and the resolution sets forth the provisions proposed for adoption, amendment, or repeal, the resolution shall be submitted to the members for a vote as provided in Section 1.

Section 4. All amendments to the bylaws must be approved by the Commissioner before they become operative. These bylaws were duly adopted at a meeting of the members held on _____, 20_____. In witness whereof we have hereunto set our hands and seals this _____ day of _____, 20_____.

In presence of

<hr/>	(SEAL)
<hr/>	(SEAL)
<hr/>	(SEAL)
<hr/>	(SEAL)
<hr/>	(SEAL)
<hr/>	(SEAL)
<hr/>	(SEAL)
<hr/>	(SEAL)

STATE OF MINNESOTA)
)
) ss.
)
COUNTY OF _____)

On this _____ day of _____, _____, before me appeared:

to me personally known who executed the foregoing instrument and acknowledged that each executed the same as his free act and deed.

Notary Public _____
County of _____
My commission expires _____

NOTARY SEAL

Approval

STATE OF MINNESOTA

OFFICE OF THE COMMISSIONER OF COMMERCE

This is to certify that the action of the members of the _____
in adopting the foregoing amendment to the bylaws has been approved by me.

Dated:

Deputy Commissioner of Commerce