



Minnesota Department of Commerce
Statement Outlining Plan of Conversion
from Federal Charter to a
State Chartered Credit Union

The following steps are required:

1. Apply to the National Credit Union Administration (NCUA) for conversion (Section 1771 enclosed) and take appropriate steps under federal law.
2. 52.201 REORGANIZING FEDERAL CREDIT UNION INTO STATE CREDIT UNION.
When any federal credit union authorized to convert to a state charter has taken the necessary steps under the federal law for that purpose, upon the affirmative vote of a majority of the members who vote on the proposal, a quorum being present, at a regular or special meeting upon at least seven but not more than 30 days' written notice to each member clearly stating that such conversion is to be acted upon, and upon approval of the commissioner of commerce, may execute a certificate of incorporation under the provisions of the state Credit Union Act, which, in addition to the other requirements of law, shall state the authority derived from the shareholders of such federal credit union; and upon recording such certificate as required by law, it shall become a legal state credit union and the members of the federal credit union shall without further action be members of the state credit union. This includes members of the federal credit union on the basis of acceptance of small employer groups provided the commissioner may require contemporaneous filing of applications under section [52.05, subdivision 2](#).
3. The Commissioner of Commerce will review the record of proceedings in 1 and 2, the most recent NCUA examination, and financial statements of the federal credit union.
4. Members of federal credit union execute a Certificate of Organization under state law with the authority of the shareholders and the National Credit Union Administration (NCUA), copy enclosed.
5. Provide the bylaws for the state chartered credit union (copy enclosed). The field of membership is subject to review and compliance with state law, and any select group additions may require contemporaneous filing of applications under state law.
6. Upon approval by the Commissioner and the filing of the Certificate of Incorporation, the transfer of assets and liabilities of the federal credit union to the state charter is approved and the conversion is complete.

MN/DOC 2020

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AN EQUAL OPPORTUNITY EMPLOYER

Minutes of Meeting of the

_____ **Federal Credit Union**

**Held to Consider Dissolution to
become a State Credit Union**

**RESOLUTION OF THE SHAREHOLDERS
OF THE _____ FEDERAL CREDIT UNION TO
DISSOLVE TO BECOME A STATE CREDIT UNION**

BE IT RESOLVED by the members of the _____ Federal Credit Union, a credit union organized and operating pursuant to Minnesota Statutes, Chapter 52, that the officers and directors of the federal credit union be and are hereby authorized to apply to the Commissioner of Commerce and the National Credit Union Administration for approval for an organization as a State Credit Union, pursuant Minnesota Statutes, Chapter 52.

BE IT FURTHER RESOLVED that said officers and directors are authorized to transfer the assets of this credit union into said State Credit Union upon the assumption by the State Credit Union of the liabilities of the federal credit union.

CERTIFICATION OF SECRETARY

I, Secretary of the _____ Federal Credit Union, do hereby certify that the foregoing constitutes the minutes of the meeting of the members of the _____ Federal Credit Union, which meeting was called upon 14 days written notice to each member, to consider dissolution to become a State Credit Union. This meeting was held at _____ on the _____ day of _____, 20___. Said resolution was adopted by a vote of _____ for and _____ against.

Dated _____

Secretary

**PLAN OF DISSOLUTION TO APPLY TO
BECOME A STATE CREDIT UNION**

_____ Federal Credit Union, hereby certifies that pursuant to the resolution of the members on the ____ day of _____, 20____, an organization certificate as a State Credit Union will be executed and presented to the Commissioner of Commerce for approval in accordance with the Minnesota Credit Union Act, Chapter 52.

_____ Credit Union

Dated _____

By _____
Chairman/President

And _____
Treasurer/Secretary

**VERIFIED CONSENT TO DISSOLUTION TO
BECOME A STATE CREDIT UNION**

We, the undersigned, a majority of the officers of the _____
Federal Credit Union hereby certify that:

- 1. The following constitutes a true and correct list of the names and addresses of all officers
and directors:

2. We hereby consent to the dissolution of the _____ Federal
Credit Union in order to become a State Credit Union in accordance with Minnesota Statutes, Chapter 52.

We, the undersigned, have read the foregoing statements, which we know of our own knowledge to be
true and accurate.

Notary Public _____
County of _____
My commission expires _____

NOTARY SEAL

_____, Minnesota

_____, _____

**Deputy Commissioner
Division of Financial Examinations Department
of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198**

At a meeting of the directors of the _____ Federal Credit Union
in _____, Minnesota, held _____, 20____ it was resolved
by motion "That all assets and liabilities of the _____ Federal Credit
Union of _____, Minnesota, as shown on its books and records as of
_____, 20____, and as listed in the following statement be accepted and assumed
by the _____ State Credit Union, _____,
Minnesota.

The General Ledger statement of same is as follows: See Exhibit D-1

_____ Federal Credit Union

_____, Minnesota

Secretary

(Attach Financial Statement)

_____, Minnesota
_____, _____

**Deputy Commissioner
Division of Financial Examinations Department
of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198**

This is to certify that the assets and liabilities of the _____

_____ Federal Credit Union of _____, Minnesota as shown on the books and records of said credit union as of _____, 20____ have been accepted and the same assumed by the _____ State Credit Union, Minnesota.

Chairman/President

_____ State Credit Union

_____, Minnesota

Secretary

52.201 REORGANIZING FEDERAL CREDIT UNION INTO STATE CREDIT UNION.

When any federal credit union authorized to convert to a state charter has taken the necessary steps under the federal law for that purpose, upon the affirmative vote of a majority of the members who vote on the proposal, a quorum being present, at a regular or special meeting upon at least seven but not more than 30 days' written notice to each member clearly stating that such conversion is to be acted upon, and upon approval of the commissioner of commerce, may execute a certificate of incorporation under the provisions of the state Credit Union Act, which, in addition to the other requirements of law, shall state the authority derived from the shareholders of such federal credit union; and upon recording such certificate as required by law, it shall become a legal state credit union and the members of the federal credit union shall without further action be members of the state credit union. This includes members of the federal credit union on the basis of acceptance of small employer groups provided the commissioner may require contemporaneous filing of applications under section [52.05, subdivision 2](#). Thereupon the assets of the federal credit union, subject to its liabilities not liquidated under the federal law before such incorporation, shall vest in and become the property of such state credit union and the members upon request shall be entitled to a new passbook showing existing share and loan balances. The commissioner of commerce shall approve or disapprove of the conversion within 60 days of the date the proposal is presented.

History:

[1941 c 510 s 1](#); [1961 c 331 s 10](#); [1971 c 154 s 11](#); [1983 c 289 s 114](#) subd 1; [1984 c 655 art 1 s 92](#); [1986 c 444](#); [1997 c 157 s 43](#); [2019 c 20 s 1](#)

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 _____, 20_____

(In the presence of two witnesses)

(Sign exactly as names appear above)

STATE OF MINNESOTA)
COUNTY OF _____) ss

On this _____ day of _____, 20_____, 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 _____
County of _____
My commission expires _____

NOTARY SEAL

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 _____, 20____.

Deputy Commissioner of Commerce

STANDARD CREDIT UNION 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 of 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 and 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.

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 25 members or 5% 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 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 consecutive regular meetings, unless excused for cause, the office shall be declared vacant and the vacancy filled as provided in this Section.

Section 7. 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 8. 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;
- b. for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- c. for a transaction from which the director derived an improper personal benefit; or
- d. For an act or omission occurring prior to the date when the provision in the bylaws eliminating or limiting liability becomes effective.

**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 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. 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.

-- 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 of 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, 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 monthly 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. If the election is to be held exclusively by mail ballot there shall be no nominations from the floor. Nominations for elections by mail may only be made by the nominating committee or by petition to the nominating committee signed by at least 25 members or 5% 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 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 actually voting, provided the members actually 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 board may amend these bylaws by a two-thirds vote and 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. Any and 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

(SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)
(SEAL)