

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6889
OFFERED BY MR. VARGAS OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Credit Union Board
3 Modernization Act”.

4 SEC. 2. FREQUENCY OF BOARD OF DIRECTORS MEETINGS.

5 Section 113 of the Federal Credit Union Act (12
6 U.S.C. 1761b) is amended—

7 (1) by striking “monthly” each place such term
8 appears;

9 (2) in the matter preceding paragraph (1), by
10 striking “The board of directors” and inserting the
11 following:

12 “(a) IN GENERAL.—The board of directors”;

13 (3) in subsection (a) (as so designated), by
14 striking “shall meet at least once a month and”; and

15 (4) by adding at the end the following:

16 “(b) MEETINGS.—The board of directors of a Federal
17 credit union shall meet as follows:

1 “(1) With respect to a de novo Federal credit
2 union, not less frequently than monthly during each
3 of the first five years of the existence of such Fed-
4 eral credit union.

5 “(2) Not less than six times annually, with at
6 least one meeting held during each fiscal quarter,
7 with respect to a Federal credit union—

8 “(A) with composite rating of either 1 or
9 2 under the Uniform Financial Institutions
10 Rating System (or an equivalent rating under a
11 comparable rating system); and

12 “(B) with a capability of management rat-
13 ing under such composite rating of either 1 or
14 2.

15 “(3) Not less frequently than once a month,
16 with respect to a Federal credit union—

17 “(A) with composite rating of either 3, 4,
18 or 5 under the Uniform Financial Institutions
19 Rating System (or an equivalent rating under a
20 comparable rating system); or

21 “(B) with a capability of management rat-
22 ing under such composite rating of either 3, 4,
23 or 5.”.

