

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.384 Participation in deliberation or board action.

Sec. 384.

(1) Unless the matter involves setting dividends, loan rates, or fees for services or other general policy applicable to all members of the domestic credit union, a director, committee member, officer, or employee of a domestic credit union shall not in any manner, directly or indirectly, participate in the deliberation or board action on any matter that affects his or her pecuniary interest or the pecuniary interest of an entity other than the domestic credit union in which he or she is interested.

(2) If 1 or more directors are disqualified from participating in a matter before the credit union board pursuant to subsection (1), the remaining qualified directors present at the meeting, if constituting a quorum with the disqualified directors, may by majority vote exercise all the powers of the board with respect to the matter under consideration. If all of the directors are disqualified, the members of the domestic credit union shall act on the matter.

(3) If 1 or more committee members are disqualified from participating in a matter before the committee pursuant to subsection (1), the remaining qualified committee members, if constituting a quorum with the disqualified committee members, may by majority vote exercise all the powers of the committee with respect to the matter under consideration. If all of the committee members are disqualified, the credit union board shall act on the matter.

(4) As used in this section, an individual is "interested" in an entity if he or she meets any of the following:

- (a) Serves as a director, officer, or employee of the entity.
- (b) Has a business or deposit relationship with the entity.
- (c) Has an ownership interest in the entity that is more than a 10% equity interest.
- (d) Has a business, financial, or familial relationship with an individual who he or she knows has a pecuniary interest in the entity.

History: 2003, Act 215, Eff. June 1, 2004