



GUIDANCE

To: Nebraska State-Chartered Credit Unions
Nebraska Credit Union League & Affiliates
From: Mark Quandahl, Director, Nebraska Department of Banking and Finance
Date: May 18, 2020
RE: Guidance Authorizing Virtual Annual Meetings of Members

On March 13, 2020, Pete Ricketts, Governor of the State of Nebraska, declared a state of emergency within Nebraska as a result of the Covid-19 pandemic. On March 16, 2020, the Nebraska Department of Banking and Finance (“Department”) issued a Guidance Document authorizing Nebraska state-chartered credit unions to postpone their annual meetings of members until July 2020 or August 2020, subject to notice and record-keeping requirements.

The Department has been informed that it may not be possible for credit unions members to hold in-person meetings even if postponed, due to group size limitations during the pandemic. Under the authority of Neb. Rev. Stat. §§ 8-102, 8-103, 21-1731, 21-1749, and 21-1751, this Guidance Document, therefore, provides that state-chartered credit unions may meet virtually, if the credit union’s Board of Directors takes the following actions:

- The Board of Directors adopts the following bylaw:

Emergency exception to in-person quorum requirement. This credit union may hold its annual meeting of the members, and special member meetings for authorized purposes other than member expulsion, virtually and without an in-person quorum if all of the following conditions apply and are certified in meeting minutes by a resolution of the majority of a quorum of the board of directors:

- At least one of the following is located in an area where a federal, state, or local authority has declared a state of emergency or major disaster:
 - a. all or part of a community the credit union serves; or
 - b. the credit union’s main office.
 - Members receive at least seven days’ advance notice of the change to a virtual meeting format and appropriate instructions for how to join, participate, and vote during the virtual meeting.
 - A virtual quorum of credit union members is obtained at the time of the annual meeting.
 - The credit union has the technological capacity to facilitate virtual meeting attendance, voting, and participation.
- The Board of Directors notifies the Department that it has adopted the emergency bylaw.

For purposes of a credit union's emergency annual meeting, virtual shall mean webcasts, teleconferences, virtual meeting rooms, or similar means that permit members to listen, vote as necessary, and participate.

Guidance Determination

In order to assist Nebraska state-chartered credit unions during the state of emergency declared by Governor Ricketts in relation to the COVID-19 outbreak:

1. The Department authorizes all state-chartered credit unions to adopt the *Emergency exception to in-person quorum requirement* bylaw set forth above, provided the listed conditions are met by the credit union. Records showing compliance with this Guidance shall be kept for review by the Department. This Guidance is subject to change or withdrawal by the Director and is effective until terminated by the Director.
2. The Department's Guidance of March 16, 2020, entitled "Guidelines on Annual Meetings of Members," remains in effect.
3. Nebraska state-chartered credit unions are authorized to utilize both Guidance Documents.

Please contact darren.davis@nebraska.gov with any questions.

Approved and effective as of the above date.

Mark Quandahl

Mark Quandahl
Director, Nebraska Department of Banking and Finance