

REFERENCE TITLE: credit unions; certificates; powers; committee

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2979

Introduced by
Representative Wilmeth

AN ACT

AMENDING SECTIONS 6-506, 6-508, 6-509, 6-510, 6-516, 6-517, 6-538 AND
6-551, ARIZONA REVISED STATUTES; RELATING TO CREDIT UNIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-506, Arizona Revised Statutes, is amended to
3 read:

4 6-506. Organization procedure

5 A. Any seven or more residents of this state who are of legal age
6 and who have a common bond of interest or association may apply to the
7 deputy director for permission to organize a credit union under this
8 chapter.

9 B. The incorporators shall prepare, adopt and execute a certificate
10 of organization and shall agree to comply with the requirements of the
11 certificate and with all of the laws and rules applicable to credit
12 unions. The certificate shall state:

13 1. The credit union's name and the location of the proposed
14 principal place of business.

15 2. That the existence of the credit union is perpetual.

16 3. The names and addresses of the incorporators and the number of
17 shares subscribed to by each.

18 4. The purpose for which the credit union is formed.

19 C. The incorporators shall prepare, adopt and execute bylaws
20 consistent with this chapter for the general governance of the credit
21 union. The bylaws, among other things, shall provide:

22 1. The proposed field of membership that shall consist of one or
23 more groups having a common bond of interest, occupation or association or
24 to groups within a well-defined neighborhood, community or rural district
25 consistent with the purposes of the credit union.

26 2. The par value, IF ANY, of shares.

27 3. The number of directors of the credit union, which shall not be
28 fewer than five, all of whom shall be members, together with the titles of
29 the officers and the number of members of the supervisory committee, which
30 shall not be fewer than three.

31 4. The conditions under which shares may be issued, transferred or
32 withdrawn, loans may be made and repaid and monies may be otherwise
33 invested.

34 5. The number of members of the credit committee, which shall not
35 be fewer than three, or the authorization of a credit manager.

36 D. The incorporators shall select at least five persons who are
37 eligible for membership and who agree to become members and serve on the
38 board of directors, and at least three persons who are eligible for
39 membership and who agree to become members and serve on the supervisory
40 committee. The persons selected to serve on the board of directors and
41 the supervisory committee shall execute an agreement to serve in those
42 capacities until the first annual meeting or until the election of their
43 respective successors, whichever is later.

44 E. The incorporators shall forward to the deputy director such
45 application as is required by the deputy director, along with the

1 application fee provided for in section 6-126, the certificate of
2 organization, the bylaws and the agreements to serve and any additional
3 information that the deputy director may request.

4 F. The incorporators shall not transact any business in the name of
5 the credit union until the certificate of incorporation has been issued by
6 the corporation commission and the application and the bylaws have been
7 approved by the deputy director.

8 Sec. 2. Section 6-508, Arizona Revised Statutes, is amended to
9 read:

10 6-508. Certificate of organization and bylaws

11 A. The deputy director shall prepare standard forms of the
12 certificate of organization and bylaws, ~~which~~ **THAT ARE** consistent with this
13 chapter, ~~which~~ **AND THAT** may be used by credit union incorporators.

14 B. The board of directors may adopt proposed amendments to the
15 certificate of organization at a duly held meeting. The board of
16 directors shall submit the proposed amendments to the members for
17 ratification at a regular or special meeting, after which they shall be
18 submitted to the deputy director for the deputy director's approval or
19 disapproval. If approved by the deputy director, the board of directors
20 shall follow the procedure for organization prescribed in section 6-507,
21 subsection B.

22 C. The board of directors may adopt proposed amendments to the
23 bylaws at any duly held meeting by a three-fourths majority vote. After
24 proposed amendments have been approved, the board shall submit the
25 proposed amendments to the deputy director for the deputy director's
26 approval. **WITHIN TEN BUSINESS DAYS AFTER RECEIVING A COMPLETED PROPOSED**
27 **AMENDMENT REQUEST, THE DEPUTY DIRECTOR SHALL SUBMIT AN ACKNOWLEDGMENT OF**
28 **RECEIPT OR REQUEST ADDITIONAL INFORMATION. THE DEPUTY DIRECTOR SHALL MAKE**
29 **A DECISION WITHIN THIRTY BUSINESS DAYS AFTER THE DATE THAT THE**
30 **ACKNOWLEDGMENT OF RECEIPT IS SUBMITTED TO THE CREDIT UNION. FOR GOOD**
31 **CAUSE SHOWN, THE DEPUTY DIRECTOR MAY EXTEND THE RESPONSE TIME.** The
32 amendments are effective on approval of the deputy director. At the next
33 regular or special meeting of the membership, the board shall submit all
34 amendments to the bylaws to the members for ratification.

35 Sec. 3. Section 6-509, Arizona Revised Statutes, is amended to
36 read:

37 6-509. Exclusive use of name; exception

38 A. The name of every credit union organized under this chapter
39 shall include the words "credit union". A credit union shall not adopt a
40 name either identical to the name of any other credit union doing business
41 in this state or so similar as to be misleading or cause confusion.

42 B. It is unlawful for any person to engage in this state in the
43 business of a credit union or to make use of the words "credit union" or
44 any other words in a manner reasonably calculated to convey the impression
45 that the person is engaged in the business of a credit union in this

1 state, unless the act is done by or on behalf of a person having authority
2 under this chapter, except an association of credit unions, or an
3 organization, corporation or association whose membership or ownership
4 consists primarily of credit unions or credit union organizations, may use
5 a name or title containing the words "credit union".

6 C. A credit union may change its name only on the written
7 authorization of the deputy director. **WITHIN TEN BUSINESS DAYS AFTER**
8 **RECEIVING A COMPLETED REQUEST FOR A CREDIT UNION NAME CHANGE, THE DEPUTY**
9 **DIRECTOR SHALL SUBMIT AN ACKNOWLEDGMENT OF RECEIPT OR REQUEST ADDITIONAL**
10 **INFORMATION. THE DEPUTY DIRECTOR SHALL MAKE A DECISION WITHIN THIRTY**
11 **BUSINESS DAYS AFTER THE DATE THAT THE ACKNOWLEDGMENT OF RECEIPT IS**
12 **SUBMITTED TO THE CREDIT UNION.**

13 Sec. 4. Section 6-510, Arizona Revised Statutes, is amended to
14 read:

15 **6-510. Principal place of business; branch office**

16 A. A credit union may change its principal place of business or
17 branch within this state with the prior approval of the deputy director
18 and the payment of the fee provided in section 6-126.

19 B. A credit union may establish a branch office with the prior
20 approval of the deputy director.

21 C. A credit union organized under this chapter may conduct business
22 in other states or territories of the United States where it is allowed to
23 do so on approval of the deputy director, if it is reasonably necessary to
24 service its members.

25 **D. WITHIN TEN BUSINESS DAYS AFTER RECEIVING A COMPLETED REQUEST FOR**
26 **A CHANGE IN THE CREDIT UNION'S PRINCIPAL PLACE OF BUSINESS OR BRANCH THAT**
27 **IS LOCATED IN THIS STATE, THE DEPUTY DIRECTOR SHALL SUBMIT AN**
28 **ACKNOWLEDGMENT OF RECEIPT OR REQUEST ADDITIONAL INFORMATION. THE DEPUTY**
29 **DIRECTOR SHALL MAKE A DECISION WITHIN SIXTY BUSINESS DAYS AFTER THE DATE**
30 **THAT THE ACKNOWLEDGMENT OF RECEIPT IS SUBMITTED TO THE CREDIT UNION. FOR**
31 **GOOD CAUSE SHOWN, THE DEPUTY DIRECTOR MAY EXTEND THE RESPONSE TIME.**

32 Sec. 5. Section 6-516, Arizona Revised Statutes, is amended to
33 read:

34 **6-516. General powers**

35 A. In addition to the powers prescribed elsewhere in this chapter
36 and except as prohibited by law, a credit union may:

37 1. Enter into contracts of any nature.

38 2. Sue or be sued.

39 3. Adopt, use and display a corporate seal.

40 4. Acquire, lease, hold, assign, pledge, hypothecate, sell,
41 discount or otherwise dispose of property or assets, either in whole or in
42 part, necessary or incidental to its operations.

43 5. Borrow money from any source, except that a credit union shall
44 obtain the prior written approval of the deputy director to borrow in
45 excess of an aggregate of fifty percent of its capital.

1 6. Purchase all or a portion of the assets and assume all or a
2 portion of the liabilities of a credit union chartered under the laws of
3 any state, a federal credit union, a bank or an out-of-state bank.

4 7. Offer financial services incidental to the purposes of a credit
5 union, including electronic fund transfers, safe deposit boxes and leasing
6 and correspondent arrangements with other financial institutions.

7 8. Hold membership in other credit unions organized under this
8 chapter or other laws or in other associations and organizations.

9 9. Engage in activities and programs offered by any governmental
10 unit that are incidental or reasonably related to credit union activities.

11 10. Act as a fiscal agent for and receive payments on share and
12 deposit accounts from a governmental unit.

13 11. Make contributions to any nonprofit civic, charitable or
14 service organizations.

15 B. A credit union may exercise all incidental powers that are
16 convenient, suitable or necessary to enable it to promote or carry out its
17 purposes.

18 C. A credit union shall not delegate the management of a credit
19 union ~~or the exercise of any power set forth in this section~~ to any person
20 who is not an officer, director or employee of the credit union without
21 the prior written approval of the deputy director. The deputy director
22 may examine the books, records and business affairs of any person or
23 entity to whom the credit union proposes to delegate any such authority.

24 Sec. 6. Section 6-517, Arizona Revised Statutes, is amended to
25 read:

26 6-517. Federal parity

27 In addition to all other rights, powers and privileges, a credit
28 union **THAT IS** organized under the laws of this state **AND** whose accounts
29 are insured by an insuring organization:

30 1. Has all of the rights, powers and privileges and is entitled to
31 the same exemptions and immunities as any credit union **THAT IS** chartered
32 under the laws of the United States.

33 2. **MAY EXERCISE ALL OF THE RIGHTS, POWERS AND PRIVILEGES OF ANY**
34 **OUT-OF-STATE CREDIT UNION. BEFORE EXERCISING ANY SUCH RIGHT, POWER OR**
35 **PRIVILEGE, THE CREDIT UNION SHALL SUBMIT A REQUEST TO THE DEPUTY DIRECTOR**
36 **ON A FORM PRESCRIBED BY THE DEPUTY DIRECTOR AND REFERENCE THE SPECIFIC**
37 **STATUTORY OR REGULATORY SOURCE OF THE RIGHTS, POWERS OR PRIVILEGES THAT**
38 **THE CREDIT UNION WISHES TO EXERCISE.**

39 Sec. 7. Section 6-538, Arizona Revised Statutes, is amended to
40 read:

41 6-538. Credit committee

42 A. The credit committee has the general supervision of all loans to
43 members, unless it is replaced by a credit manager as provided in section
44 6-539. The credit committee may approve or disapprove loans subject to
45 written policies established by the board of directors.

1 B. The credit committee shall meet as often as the business of the
2 credit union requires but not less frequently than monthly, to review the
3 lending activities of the credit union and to consider applications for
4 loans. ~~A loan shall not be made unless it is~~ APPEALS TO THE CREDIT
5 COMMITTEE AS PROVIDED IN SECTION 6-540 SHALL BE approved OR DENIED by a
6 majority of the members of the committee who are present at the meeting at
7 which the application is considered.

8 C. The credit committee or the credit manager shall keep a record
9 of all actions taken and shall report on such actions to the board at its
10 next meeting.

11 Sec. 8. Section 6-551, Arizona Revised Statutes, is amended to
12 read:

13 6-551. Share accounts

14 A. Share accounts shall be subscribed to and paid for in such
15 manner as the board of directors prescribes. A credit union may require
16 its members to subscribe to and make payments on membership
17 shares. Membership shares may not be pledged as security on any loan.

18 B. The par value, IF ANY, of any membership shares may differ from
19 the par value of other shares.

20 C. A credit union may limit the amount in share accounts and
21 deposit accounts and any such limit must apply to all account holders.