Article 14E.
Direction of Affairs.

§ 54-109.35. Election or appointment of officials.
(a) The credit union shall be directed by a board of directors, at least five in number, to be elected at the annual members' meeting by and from the members. All members of the board shall hold office for such terms as the bylaws provide.
(b) The board of directors at its first meeting after its election shall appoint a supervisory committee from the membership (no more than one of whom may be a member of the board of directors and none a member of the credit committee) of not less than three members who shall serve for such terms as may be fixed by the bylaws; or in lieu thereof, the bylaws may authorize the board of directors to employ and use such clerical and auditing assistants as may be required to perform the duties required by G.S. 54-109.49. The board of directors may remove or suspend any member of the supervisory committee for neglect of duty, misfeasance, malfeasance, official misconduct, or for other good cause shown.
(c) The board of directors shall appoint a credit committee from the membership consisting of an odd number, not less than three, for such terms as the bylaws provide or, in lieu of a credit committee, appoint one or more loan officers from the membership and, in such instances, duties and responsibilities of the credit committee shall be carried out by such loan officer or officers. (1975, c. 538, s. 1.)

§ 54-109.36. Record of board and committee members.
Within 15 days following the board of directors' initial or annual organization meeting, a record of the names and addresses of the members of the board, committees and all other officers of the credit union shall be filed with the Credit Union Division on forms provided by that Division. (1975, c. 538, s. 1.)

§ 54-109.37. Vacancies.
The board of directors shall fill any vacancies occurring in the board until successors elected at the next annual meeting have qualified. The board shall also fill vacancies in the credit and supervisory committees. (1975, c. 538, s. 1.)

§ 54-109.38. Compensation of officials.
No member of the board of directors or of the credit committee or supervisory committee shall be compensated for his service in this position, but providing reasonable life, health, accident and similar insurance protection for a director or committee member shall not be considered compensation. Directors and committee members, while on official business of the credit union, may be reimbursed for necessary and reasonable expenses incidental to the performance of the business. Such reimbursement may include the payment of expenses for one guest. (1975, c. 538, s. 1; 2015-93, s. 5.)

No director, committee member, officer, agent or employee of the credit union shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his pecuniary interest or the pecuniary interest of any corporation, partnership, or association (other than the credit union) in which he is directly or indirectly interested. (1975, c. 538, s. 1.)

§ 54-109.40. Executive officers.
(a) At their organization meeting and within 30 days following each annual meeting of the members, the directors shall elect from their own number an executive officer, who may be designated as chairman of the board or president; a vice-chairman of the board or one or more vice-presidents; a treasurer; and a secretary. The treasurer and the secretary may be the same individual. The persons so elected shall be the executive officers of the corporation.
(b) The terms of the officers shall be one year, or until their successors are chosen and have duly qualified.
(c) The duties of the officers shall be prescribed in the bylaws.
(d) The board of directors may employ an officer in charge of operations whose title shall be either president and/or general manager; or, in lieu thereof, the board of directors may designate the treasurer or an assistant treasurer to act as general manager and be in active charge of the affairs of the credit union. (1975, c. 538, s. 1.)

§ 54-109.41. Authority of directors.
The board of directors shall have the general direction of the business affairs, funds, and records of the credit union. (1975, c. 538, s. 1.)

§ 54-109.42. Executive committee.
From the persons elected to the board, the board may appoint an executive committee of not less than three directors who may be authorized to act for the board in all respects, subject to such conditions and limitations as are prescribed by the board. (1975, c. 538, s. 1.)

§ 54-109.43. Meetings of directors.
The board of directors and the executive committee shall meet as often as the bylaws prescribe. (1915, c. 115, s. 8; C.S., s. 5232; 1975, c. 538, s. 1.)

§ 54-109.44. Duties of directors.
It shall be the duty of the directors to:
(1) Act upon applications for membership or to appoint one or more membership officers to approve applications for membership under such conditions as the board prescribes. A record of a membership officer's approval or denial of membership shall be available to the board of directors for inspection. A person denied membership by a membership officer may appeal the denial to the board;
(2) Purchase a blanket fidelity bond, in accordance with any rules and regulations of the Administrator, to protect the credit union against losses caused by occurrences covered therein such as fraud, dishonesty, forgery, embezzlement,
misappropriation, misapplication, or unfaithful performance of duty by a
director, officer, employee, member of an official committee, attorney-at-law
or other agent;

(3) Determine from time to time the interest rate or rates consistent with Articles
14A to 14L of this Chapter, which shall be charged on loans and to authorize
interest refunds, if any, to members from income earned and received in
proportion to the interest paid by them on such classes of loans and under such
conditions as the board prescribes;

(4) Fix from time to time the maximum amount which may be loaned to any one
member;

(5) Declare dividends on shares in the manner and form as provided in the bylaws;
and determine the interest rate or rates which will be paid on deposits;

(6) Set the number of shares and the amount of deposits which may be owned by a
member, such limitations to apply alike to all members;

(7) Have charge of the investment of surplus funds, except that the board of
directors may designate an investment committee or any qualified individual to
have charge of making investments under controls established by the board of
directors;

(8) Authorize the employment of such persons necessary to carry on the business
of the credit union;

(9) Authorize the conveyance of property;

(10) Borrow or lend money to carry on the functions of the credit union;

(11) Designate a depository or depositories for the funds of the credit union;

(12) Suspend any or all members of the credit or supervisory committee for failure
to perform their duties;

(13) Appoint any special committees deemed necessary; and

(14) Perform such other duties as the members from time to time direct, and perform
or authorize any action not inconsistent with Articles 14A to 14L of this Chapter
and not specifically reserved by the bylaws for the members. (1915, c. 115, s.
10; C.S., s. 5234; 1957, c. 989, s. 5; 1965, c. 956, s. 20; 1973, c. 199, s. 9; 1975,
c. 538, s. 1.)

§ 54-109.45. Authority of credit committee.
The credit committee shall have the general supervision of all loans to members. (1915, c. 115,
s. 11; C.S., s. 5235; 1961, c. 1187, s. 22; 1965, c. 956, s. 1; 1969, c. 69, s. 5; 1973, c. 199, s. 10;
1975, c. 538, s. 1.)

§ 54-109.46. Meetings of credit committee.
The credit committee shall meet as often as the business of the credit union requires and not
less frequently than once a month to consider applications for loans. No loan shall be made unless
it is approved by a majority of the committee who are present at the meeting at which the
application is considered. (1915, c. 115, s. 11; C.S., s. 5235; 1961, c. 1187, s. 22; 1965, c. 956, s.
1; 1969, c. 69, s. 5; 1973, c. 199, s. 10; 1975, c. 538, s. 1.)

§ 54-109.47. Loan officers.
(a) The credit committee may appoint one or more loan officers and delegate the power to
approve loans, subject to such limitations or conditions as the credit committee prescribes.

(b) Loan applications not approved by a loan officer shall be reviewed and acted upon by
the credit committee. (1915, c. 115, s. 11; C.S., s. 5235; 1961, c. 1187, s. 22; 1965, c. 956, s. 1;
1969, c. 69, s. 5; 1973, c. 199, s. 10; 1975, c. 538, s. 1.)

§ 54-109.48. When credit committee dispensed with.

The credit committee may be dispensed with, and loan officer(s) empowered to approve or
disapprove loans under conditions prescribed by the board of directors. In the event the credit
committee is dispensed with, the procedures prescribed in G.S. 54-109.45, 54-109.46 and
54-109.47 do not apply, and no loans shall be made unless approved by the loan officer(s). (1915,
c. 115, s. 11; C.S., s. 5235; 1961, c. 1187, s. 22; 1965, c. 956, s. 1; 1969, c. 69, s. 5; 1973, c. 199,
s. 10; 1975, c. 538, s. 1.)

§ 54-109.49. Duties of supervisory committee.

The supervisory committee shall make or cause to be made an annual audit, in accordance with
rules and regulations promulgated by the Administrator of Credit Unions, and shall submit a report
of that audit to the board of directors and a summary of the report to the members at the next annual
meeting of the credit union. The supervisory committee shall make or cause to be made such
supplemental audits as deemed necessary by it or as may be ordered by the Administrator of Credit
Unions. Any violation of this Article or of the bylaws or of any practice of the corporation which
in the opinion of the supervisory committee is unsafe, unsound, or unauthorized, shall be reported
to the board of directors and the Administrator of Credit Unions within seven days after its
discovery. (1915, c. 115, s. 12; C.S., s. 5236; 1965, c. 956, s. 21; 1973, c. 199, s. 11; 1975, c. 538,
s. 1.)

§§ 54-109.50 through 54-109.52. Reserved for future codification purposes.