July 1, 2024

Iowa Division of Credit Unions
Regulatory Advisory Bulletin

Restrictions of Member Services:

Iowa Code Section 533.211 permits a credit union to immediately suspend or restrict services provided to members. If a member has caused a loss to the credit union, has violated the membership agreement or any policy adopted by the board, or has been physically or verbally abusive to credit union members or staff, then the credit union may suspend or deny services to the member. Iowa Code § 533.211 (2024). The member is still permitted to maintain a share account, and vote at the annual meeting (and any special meetings) and must fulfill applicable debt obligations. Iowa Code § 533.211 (2024).

Expulsion Process:
In addition to immediately suspending services, the credit union may expel a member, by majority vote of the board of directors, if the member:

1. Fails to carry out the member's obligations to the credit union;
2. Fails to comply with the credit union's bylaws and policies;
3. Is physically or verbally abusive to credit union members or staff; or
4. Has committed fraud, attempted fraud, or other illegal conduct that the member has been convicted of in relation to the credit union.

Iowa Code § 533.210(1) (2024). The Board of Directors may call a special meeting via telephone conference, in person, or virtually and vote to expel the particular member.[1] A membership hearing is not required prior to a member being expelled under Iowa Code. After a member has been expelled by majority vote of the board of directors, the member has the right to request a review before the Superintendent of Credit Unions. Iowa Code § 533.210(2) (2024).[2]

If there is a review requested, the credit union owes the burden to show the member was expelled correctly under the law. After review, the Superintendent may confirm the expulsion or reinstate the expelled member. If membership is reinstated, the credit union may still restrict the services of the member.

An expelled member has no further rights in the credit union; however, the member is not released from any liability owed to the credit union because of the expulsion. Iowa Code § 533.210(6) (2024).

An expelled member may request review of their expulsion using the complaint forms found on the: Iowa Division of Credit Unions website: https://creditunions.iowa.gov/file-complaint. The expelled member must affirmatively request the hearing before the Superintendent within one year of the expulsion. Iowa Code §

[1] Email vote is not prohibited if adequately documented.

[2] A member may still request a special meeting before the membership, if the requirements for calling a special meeting are met.

533.210(2)(a) (2024). If the expelled member requests a review, the review must be held within ninety days of the request. Iowa Code § 533.210(2) (2024).

In those cases, in which a member has made threats or behaved violently toward credit union staff, security and safety concerns should be the paramount considerations when planning the hearing. The required hearing need not take place within the credit union, but may be held in a location chosen by the Superintendent with security services or law enforcement officers on site.

Questions and concerns regarding safety procedures can be directed to the local police or sheriff's departments. Questions and concerns regarding proper procedure under Iowa law can be directed to the Iowa Division of Credit Unions.

Katie Averill



Superintendent of Credit Unions

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