



KIM REYNOLDS, GOVERNOR  
ADAM GREGG, LT. GOVERNOR

IOWA DEPARTMENT OF COMMERCE  
DIVISION OF CREDIT UNIONS  
KATIE AVERILL, SUPERINTENDENT

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**Iowa Division of Credit Unions  
Regulatory Advisory Bulletin**

Virtual Annual Meeting:

Technological advancements as well as widespread internet access have made virtual meetings a viable option for Iowa state-chartered credit unions to hold their annual meetings. This guidance document will set out the expectations of the Iowa Division of Credit Unions.

Available options: There are three options for annual meetings 1. In-person only; 2. Virtual only; or 3. Hybrid. Each option has unique considerations and challenges.

1. In-person only: Annual meetings are conducted at a physical location only. This is the traditional annual meeting. In-person annual meetings are more accessible for those with limited technology or internet connectivity. However, in-person only annual meetings are less accessible for those who are physically located further away from the location of the meeting or have limited mobility. In-person only meetings may limit member participation for some credit unions, but may provide increased participation for other credit unions.
2. Virtual only: Annual meetings are broadcast online through an internet platform. No physical location is needed for members to participate in a live meeting. Virtual only meetings may limit member participation for those who do not have internet access. Credit unions must consider the security requirements of the online platform, the extent to which members will be permitted to comment or participate during the meeting, how the quorum will be determined, and what will happen in the event technical difficulties interrupt the meeting.
3. Hybrid: An annual meeting is held at a physical location, which is accessible to the members and the meeting is broadcast online via an internet platform. This approach may alleviate some of the concerns presented by an in-person only meeting, but does not necessarily alleviate the challenges of a virtual only meeting. Credit unions must consider the security requirements of the online platform, the extent to which members will be permitted to comment or participate during the meeting, how the quorum will be determined, and what will happen in the event technical difficulties interrupt the meeting.

Considerations:

1. Legal: Iowa Code Section 533.203 requires a credit union's annual meeting to be held in the manner set out in the bylaws and sets out the requirement that the ballots be preserved for at least 60 days. The standard Bylaws approved by the Division require there to be an annual meeting of the members on the date designated by the Board of Directors. Neither the Iowa Code nor the standard Bylaws require a credit union to hold the annual meeting in person or at a designated location. The Division guidance is intended to ensure virtual meetings are accessible, transparent, and consistent with Iowa rules and laws. The Board of Directors must select the manner in which the annual meeting will be held consistent with the processes for determining how voting is held and nominations are gathered. See Iowa Administrative Rule 189-12.3(1). Credit unions should consider how to efficiently conduct virtual annual meetings, perform proper vendor due diligence,

and management must adopt procedures for how the meeting will meet those requirements and comply with Iowa law.

2. **Bylaw Amendments:** If a credit union has adopted the standard Bylaws without amendment, then the credit union will not need to amend its Bylaws prior to holding a virtual annual meeting. However, the Board of Directors may have adopted policies, which need to be amended. The Division will review policies and procedures in accordance with examination principals.
3. **Vendor Due Diligence:** Prior to establishing a virtual annual meeting, the credit union must determine the extent to which members will be actively involved in the annual meeting. Credit Unions must consider the anticipated interaction level and required security measures when selecting an online platform. Credit unions must also consider the content of the annual meeting and whether the platform's security settings are adequate for the level of confidential information to be addressed. It is possible that no confidential information will be disclosed in the course of the annual meeting and the credit union has no concerns regarding making annual meetings open to the public at large; however, if this is the credit union's determination, it must be re-evaluated annually and must be supported by board of director analysis. The Division has no standard technical vendor requirements.
4. **Quorum requirements:** Credit union Bylaws set out the required number of individuals, which constitutes a quorum. However, the standard Bylaws do not set out a requirement that the quorum be physically present in a designated location.

Credit unions must document how the quorum was satisfied. If a quorum is not met at the date and time of the annual meeting, Iowa law sets out the requirements of postponement. See Credit Union Bylaw Section 4.2.

5. **Participation requirements:** Transition from an in-person meeting to a virtual meeting or hybrid meeting does not change or increase the substantive content of the annual meeting. Credit unions must determine the level of active member participation expected or required at the annual meeting and choose an internet platform, which will accommodate these requirements. However, credit unions are cautioned to think critically about the level of participation as costs may increase based on the levels of viewership participation.
6. **Voting:** The credit union must provide each member a meaningful opportunity to vote. Iowa Administrative Rule 189-12.3. Credit unions must consider the manner and method in which they hold their board of director election voting. Iowa law leaves the determination of which voting method to use, to the board of directors. The available options include:
  - i. in-person
  - ii. mailed ballots
  - iii. electronic
  - iv. combination

Virtual annual meetings make in-person voting significantly more difficult because the vendor or technology platform must provide the method of in-person voting, retain the ballots, retain required anonymity, and ensure that no members are permitted to vote twice.

The credit union may not select electronic voting unless all members have access to an electronic device on which to vote or provide an alternative means of voting in each credit union office. Iowa Administrative Rule 189-12.3(1). If not, then the credit union must conduct the vote partially by mail or in-person. The manner of nomination will also need to be considered when

determining the allowable voting methods. If a credit union does not permit nomination from the floor, then the credit union is not specifically required to allow in-person voting.

7. Distribution of material and notices: Transition from in-person meetings to virtual or hybrid meetings does not change the notice requirements set out under Iowa law. Credit unions must comply with the applicable rules and regulations for meeting notices and board of director elections. Other meeting materials may be communicated in the manner consistent with credit union policy.
8. Record Keeping: The requirements for recording and maintaining meeting minutes are the same regardless of the annual meeting type selected.
9. Alternative locations: Credit unions should consider accessibility of the virtual meeting for members without internet access or available technology. Credit unions may consider branch locations for members to watch the meeting virtually.



Katie Averill  
Superintendent of Credit Unions

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