



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

TO: All New York State Chartered Credit Unions

FROM: Maria T. Vullo, Superintendent of Financial Services

RE: Wild Card Relief from Oaths of Office by Officers, Directors and Committee Members of New York State Chartered Credit Unions

DATE: April 5, 2017

This is to notify all New York State chartered credit unions that, pursuant to Section 12-a of the New York Banking Law (the “Banking Law”), the Department of Financial Services has taken action to relieve all officers, directors and committee members of New York State chartered credit unions of the need to take and file oaths of office, as required under Section 468 of the Banking Law. This action puts New York State chartered credit unions on an equal footing with federal credit unions, whose officers, directors and committee members are not required to take oaths of office.

Section 468 of the Banking Law provides that “Each director, officer and member of a committee when first appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the credit union, and will not knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to such corporation, and that he is the owner of at least one share subscribed for by him or standing in his name on the books of the credit union and that the same is not hypothecated, or in any way pledged as security for any loan or debt, except as permitted by subdivision four of section four hundred fifty six of this chapter....”

Four New York State chartered credit unions (the “applicants”) have applied for relief from the above-referenced oaths of office pursuant to Section 12-a of the Banking Law, which is known as the “Wild Card” provision. The Wild Card provision is designed to allow New York State chartered banking institutions, which is defined to include credit unions, to exercise any right, power, privilege or benefit, or any activity or transaction, which their federally chartered counterparts may lawfully exercise or engage in, whether directly or indirectly, as provided therein.

Approving the applicants’ application is consistent with the requirements of Section 12-a of the Banking Law, as it will provide parity between New York State chartered credit unions and their federally chartered counterparts. There is no requirement under the Federal Credit Union Act or the Regulations of the National Credit Union Administration for directors, officers or committee

members of federally chartered credit unions to execute and file oaths of office similar to the ones required under Section 468 of the Banking Law.

The element of the oath of office under Section 468 of the Banking Law that requires each director, officer and committee member of a credit union to diligently and honestly administer the affairs of the credit union, and not to knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to the credit union, is separately addressed in Section 471 of the Banking Law. Section 471 requires all credit union directors and officers to discharge the duties of their positions in good faith and with a prudent person's degree of diligence, care and skill. Additionally, the Superintendent has authority under the Banking Law to address and remedy acts of misconduct or wrongdoing by directors, officers and committee members of credit unions in a variety of ways. Similarly, the other element of the oath of office under Section 468, which relates to the ownership of at least one share of the credit union, is addressed in Section 467 of the Banking Law.

Accordingly, pursuant to the authority under Section 12-a (3) of the Banking Law, the Superintendent has approved the applicants' application for the requested relief and has determined to make such approval applicable to all New York State chartered credit unions. This action is effective immediately.

Although the requirement related to taking oaths under Section 468 will no longer apply, officers, directors and committee members of New York State chartered credit unions are reminded that their obligations and duties under the Banking Law shall remain unaffected by this action.