

**Proposal from the VT Bankers Association**

1 Amend the bill by adding a new section to be Sec. 23 to read as  
2 follows:

3 Sec. 23. 8 V.S.A. § 13301 is amended to read:

4 § 13301. CORPORATORS OF MUTUAL FINANCIAL INSTITUTIONS

5 (a) Persons named in the organizational documents constitute the original  
6 board of corporators of a mutual financial institution. Membership on this  
7 board continues until terminated by death, resignation, or disqualification as  
8 provided in this section.

9 (b) All corporators shall be residents of the geographic area that the  
10 financial institution serves or an area proximate to this geographic area. A  
11 person ~~may~~ shall not continue as a corporator after ceasing to be a resident of  
12 the financial institution's geographic area or an area proximate to this  
13 geographic area.

14 (c) Any corporator failing to attend the annual meeting of the board of  
15 corporators for two successive years ceases to be a member of the board unless  
16 reelected by a vote of the remaining corporators.

17 (d) The number of corporators may be fixed or altered by the internal  
18 governance documents of the financial institution, and vacancies may be filled  
19 by election at any annual meeting.

20 (e) More than 50 percent of all corporators shall be depositors of the  
21 financial institution.

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1        (f) At least two-thirds of all corporators shall be independent. As used in  
2        this subsection, an “independent corporator” means an individual who is not an  
3        employee, director, or officer of the financial institution, its subsidiaries, or its  
4        affiliates.

5        (g) Corporators shall be fiduciaries of the depositor base and shall exercise  
6        their authority in the best interests of the depositors with a duty of loyalty and  
7        care. In exercising their duties as corporators, corporators shall consider the  
8        interests of the depositors, the borrowers, and other customers of the financial  
9        institution; the general benefit and economic well-being of the communities  
10       served by the financial institution; and the safety, soundness, and general  
11       business needs of the financial institution.

12  
13       and by renumbering the remaining section to be numerically correct.

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20       (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE