

CREDIT UNION FAQ'S

For consumers and members of credit unions:

Q. How do I file a complaint?

A. To file a complaint, please use the following form:

<https://www.idfpr.com/admin/DFI/DFIcomplaint.asp>

The credit union member is the only person who can initiate a complaint, unless the member is deceased. It must include:

1. The name of the credit union.
2. The date of the potential violation.
3. Details of the situation, including supporting documentation.
4. Name, address, and phone number of complainant.

After reviewing the complaint for sufficient information, a copy of the complaint letter and supporting documentation will be sent to the credit union in question. The credit union has ten working days to respond. An email, or letter of acknowledgement will be sent to the complainant. Once the credit union's response is received, it will be reviewed to determine if it is a regulatory issue or a legal matter, and a written response will be sent via email, (or hard copy if no email), to the complainant.

Q. Can a credit union hold my car title, for example, if my car loan is current, but I have defaulted, or have been late paying, on a different loan with the same credit union?

A. Yes, so long as it's disclosed as part of the loan contracts. The term 'cross collateralization' is a term used when the collateral for one loan is also used as collateral for another loan as well. Most standard loan contracts state that property securing other loans you have with the credit union also secures the second loan. For example, you pay off an auto loan, but have an outstanding personal loan (or other type of loan) which is past due. In this case, the credit union may hold the title of the auto loan until the overdue loan is brought up to date, or is paid in full.

Q. Can a credit union take money from my Share (savings) or Share Draft (checking) account, or possibly freeze my account if I am late on a loan or credit card payment?

A. Yes. This is called “Right to Offset.” The balance in your share account (unless it is an IRA), is considered collateral. Therefore, it can be used to cover late payments, or the account may be frozen until the loan payments are brought current. Most standard loan contracts state that they may enforce a statutory lien against your shares and dividends, and, if any, interest and deposits in all individual and joint accounts you have with them in order to satisfy any outstanding financial obligation due and payable to the credit union. It is further stated that they may exercise their right to enforce the lien without further notice.

Q. Can a credit union freeze my account if I am late on payments?

A. Yes. Again, it falls under cross-collateralization. The balance in your share account is considered collateral; therefore, it can be held until payments are brought current, or possibly until the loan is paid in full.

For credit unions:

Q. I can't get logged into the CU 125 (annual report of directors and committee members), and/or the default and foreclosure report.

A. You need to call the credit union section at (217) 782-2834, or email us at fpr.creditunion@illinois.gov and ask to have your password reset.

Q. What are the rules for various committees?

A. Credit Committee – If appointed (this committee is optional) – there must be an odd number of members, no less than three, and members of the credit committee cannot also be on the supervisory committee. If no committee is appointed, the credit union must appoint a credit manager.

Supervisory Committee – Must be composed of at least three members, and these members cannot also be on the credit committee, nor can they be officers or officials of the credit union, (i.e. chairman, vice-chairman, secretary, treasurer or president/manager).

Executive Committee – If appointed, (this committee is optional), there must be at least three members, and must all be members of the board.

Note: any changes to any committee or board numbers require a bylaw amendment. (See bylaw question below.)

Q. Where do I find the forms and how do I submit a Bylaw Amendment?

A. Bylaw forms can be found on our webpage, www.idfpr.com/DFI/CUD/cud_main.asp, and click on “Bylaw Amendment Resources”. Forms include: number of directors, committees, par value & quorum. Field of membership requests must be submitted in writing via email, fax, or US mail.

Q. How do I report changes to the board of directors or of committees?

A. Any changes to the board members, committee members, or day-to-day personnel, (president/manager), must be reported within 30 days of the change by updating the CU 12/annual report of directors and committee members, which is found on our webpage www.idfpr.com/DFI/CUD/cud_main.asp under “credit union online services.” Once updates are made, you must finalize (send) the report. This report should be updated and finalized any time changes are made to the board or committee members.

Q. How long do we have to replace board/committee members?

A. If your board does not fall below the minimum of 7 directors there is no regulatory time frame for filling vacancies, (also, no regulatory time frame for committees). However, we recommend 90 days. However, if your board falls below 7 members, you must fill the vacancy no later than the next annual meeting or 90 days after the vacancy occurred (per IL CU ACT 305/22-VACANCIES).

Q. What do I need to do if I can’t get a report in on time?

A. Our division has the authority to grant extensions for extenuating circumstances for all reports and documents (except the 5300 call report), but only if a written request is submitted *prior* to the due date. Requests can be submitted via email, fax, or US mail to the credit union section.

Q. Can I email my reply/report/request?

A. Yes, we accept most documents, replies, and requests vial email or fax. There are a few exceptions that include, but are not limited to, Certificate of Merger, and Letter of Understanding and agreement forms.

Credit Union Section Contact Information:

Email address (not case sensitive): FPR.CREDITUNION@ILLINOIS.GOV

FAX: 217-557-8461

Mailing Address: IDFPR-Credit Union Section

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