



An Act Allowing Fair Compensation of Massachusetts Credit Union Directors

What Massachusetts' New Law Means for Your Board

CV EXECUTIVE SEARCH | INSIGHTS | SEPTEMBER 2026

On August 26, 2026, Massachusetts Governor Maura Healey signed H.1338/S.821 into law, permitting state-chartered credit unions to compensate their Board members. What could this mean for the composition of credit union Boards? Will paying directors automatically make your Board better? Not necessarily. But Board service carries real responsibilities. Directors have a legal duty to protect the credit union and its members, and they make major decisions about governance, compliance, and overall strategy. The role also demands significant time. Directors typically stand for annual election, attend six to eight Board meetings a year, and serve on key committees, such as audit and compensation, that meet an additional six to nine times a year. Add site visits, proposal reviews, and other obligations, and the commitment merits compensation, even if modest. There is no single “right” answer on Board compensation, but it clearly expands the pool of potential candidates. So, what are the other benefits of paying your Board members?

1. Creates Accountability

Even a modest compensation package reinforces accountability. It reminds Directors that they work for the organization, and it establishes a professional relationship with clear expectations. It can be difficult to hold volunteers to a high standard, since everyone knows they are donating their time. Once compensation is involved, the level of commitment and responsibility often rises.

2. Widens the Pool of Potential Board Members

Not everyone can afford to donate their time, which limits you to candidates who have that flexibility. As the credit union and banking industries, along with the wider financial services industry, evolve, paying compensation to your Directors enables you to compete with for-profit entities for the very best Directors, and it allows you to recruit Directors who might otherwise be unable to serve as volunteers. Supply and demand also apply: if you want specialized expertise on your Board, you may need to pay for it. And if you want local professionals, such as teachers or religious and nonprofit leaders, even a modest package can make the difference in their decision to serve.

What Does a Strong Board Look Like?

Ideally, your Board should bring a blend of skills that, taken as a whole, adds tremendous value to your credit union. Directors should be pragmatic, tough-minded, and strategic, and able to offer candid feedback to your leadership

team. The best Boards strike a balance: some members constantly ask “why” and look for improvement; others focus on the risks and downsides of any proposed change; and still others stay laser-focused on members and employees. By contributing specialized knowledge in key areas such as technology, finance, or management, directors can amplify your strengths and address weaknesses within your organization. This may sound obvious, but many Boards are filled with friends of the leadership team who share similar backgrounds in finance, compliance, or law. This isn’t nefarious. If you are a lawyer, you know and trust many lawyers, and your Board may reflect that. But a Board built this way has blind spots, and they are easily addressed by adding professionals with varied backgrounds.

It is important to pay attention to evolving trends in Director’s compensation. Directors are taking on increasing responsibility, which is driving greater competition for Board seats and higher compensation. If your membership decides that your credit union should begin compensating Board members, CV Executive Search can help you identify appropriate, qualified talent. We help organizations, investors, owners, and governing bodies recruit Directors and Chairs whose experience aligns with their governance requirements and future priorities.



CV Executive Search helps credit unions and governing bodies build strong, well-rounded Boards.

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