

GC/MFR:bhs  
SSIC 6100  
97-0932

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendment - Your Memorandum date September 8, 1997.

DATE: October 23, 1997

You have asked for our comments on [ ] Federal Credit Union's request for two nonstandard bylaw amendments. We have no legal objection to either to voting amendments or the elimination of the credit committee and the appointment of a loan review committee. As explained below, we have some concerns with the current wording of the loan review committee nonstandard amendment.

The standard amendments currently provide for the elimination of the credit committee Article VII, Section 5(e) is changed to Section 5(g) and Section 5(e) and (f) are added. These sections require the board to review appeals of denied loan applications and grant the board the authority to appoint loan officers. This language should be included as part of the nonstandard amendment.