

December 18, 2000

C. Michael Marschall, Director of Governmental Affairs
Maryland Credit Union League, Inc.
8965 Guilford Road, Suite 250
Columbia, Maryland 21406

Re: Credit Union Employees Serving on Credit Committee.

Dear Mr. Marschall:

You have asked two questions regarding an elected credit committee of a federal credit union (FCU). First, you ask if a credit committee may delegate final loan denial authority to credit union staff. No, if a credit committee has delegated loan approval authority to a loan officer, the credit committee must review all loans not approved by the loan officer. 12 U.S.C. §1761c(b); FCU Bylaws, Article VIII, Option 1, Section 4.

You have also asked if an elected credit committee may include alternate members if the FCU has adopted a policy prescribing the circumstances when an alternate may serve. No, unless the FCU receives approval for a nonstandard bylaw amendment providing for the election of alternate members, an individual may not be seated on the credit committee if the individual is not elected or appropriately appointed to the committee. 12 U.S.C. §1761c(a). An FCU's board of directors may appoint an FCU member to serve on an elected credit committee if a vacancy exists as a result of death, resignation, expiration of term of office, or other action as provided by the bylaws. That member may only serve until the vacancy can be filled by a vote of the members at the next annual meeting. FCU Bylaws, Article VI, Section 4.

Sincerely,

Sheila A. Albin
Associate General Counsel

GC/CJL:bhs
SSIC 3700
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