



October 11, 2005

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Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Federal Credit Union Bylaws

Dear Ms. Rupp:

Thank you for the opportunity to comment on the Agency's proposed changes to the Federal Credit Union Bylaws. Orange County Teachers FCU (OCTFCU) has the following comments on the proposed changes.

Article II, Section 4

We agree with the proposed change that would allow FCUs to limit services and access to credit union facilities by disruptive Members. We believe that this provision helps to protect both Members and employees.

Article II, Staff Commentary

We do not agree with the staff commentary regarding entrance fees. To promote financial literacy and education, FCUs should be permitted to charge a smaller entrance fee to minors. Furthermore, the Act permits different par values for different classes of Members; therefore, the Bylaws should apply the same principle with respect for different entrance fees.

Article III, Section 7

We agree with providing options that allow FCUs to decide whether to allow joint account holders to be Members without opening a separate account. We believe this method will allow FCUs to maximize efficiencies and give FCUs the flexibility to manage their data processing systems and Membership policies.

Article IV, Section 2

The Bylaws require that the notice of meetings be delivered in person or by mailing the notice to each Member at the address that appears on the records of the credit union. OCTFCU recommends allowing delivery of the notice by electronic mail to Members who have opted to receive notices electronically. This would result in cost savings and increased efficiencies.

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Article IV, Section 3

OCTFCU agrees with the proposed amendment to increase the maximum number of Member signatures required to call a special meeting from 500 to 750. We believe this maximum is equitable for both small and large credit unions, and is not prohibitive for Members wishing to call a special meeting.

Article IV, Section 4

OCTFCU agrees with the provisions of notifying Members of the rules of order that the credit union will use when conducting Member meetings. This ensures that Members can follow the rules of order and therefore participate in the meetings and be heard on matters that concern them.

Article V, Options A2 and A3, Section 1

OCTFCU recommends allowing the required notice regarding nominees and nominations by petition to be delivered electronically to those Members who have opted to receive electronic notices. Electronic delivery is allowed under option A4, but not options A2 and A3. We believe allowing for electronic delivery will create cost savings and efficiencies.

Article V, Option A4, Section 2 (c) (2)

OCTFCU does not agree that a paper ballot should be sent to all Members when conducting elections by electronic means. We recommend that electronic notice and electronic ballots be sent to those Members who have elected e-Notices, with paper ballots mailed to all other Members. Providing paper notices and ballots to e-Notice Members defeats the cost savings and efficiencies of conducting the election electronically.

Article V, Section 7

OCTFCU agrees with the proposal to insert a blank space for the minimum age for voting or holding office. We believe this format is more efficient, eliminating the need for a Resolution. We recommend that the instructions for the section include guidance that the age may not be greater than 18 years of age.

Article VI, Section 4

OCTFCU does not agree with the proposed timeline in which to fill a vacancy on the board of directors, credit committee, and supervisory committee. Generally it is not feasible to fill such a position by the next regularly scheduled board meeting. We recommend that the Bylaws be amended to require the position be filled, "as soon as possible, but no later than 180 days."

Article VI, Section 6 (d)

While OCTFCU agrees that directors and volunteers should receive training and understand ethics, fiduciary responsibilities, regulatory compliance, and accounting principles, we do not agree that such a provision should be included in the Bylaws. We believe such requirements should be individually identified in applicable regulations.

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Article VI, Section 7

OCTFCU agrees with the proposed language regarding a quorum needed to fill a vacancy, recognizing that a quorum constituted of the majority of the directors holding office is a reasonable necessity.

Article VII, Section 6

OCTFCU believes that the requirement to post a copy of the current financial statement in a conspicuous place in the office of the credit union is outdated and should be removed. It is not reasonable to expect Members to come to the main office of the credit union to access this information. We recommend that the Bylaws require that information be made available upon request.

Article VII, Section 10

The Federal Credit Union Act requires the board to "act upon applications for membership or appoint membership officers." To ensure the Bylaws are consistent with the Act, we recommend that the Bylaws be amended to read,

"The board may authorize any of the following to act upon approve membership applications..."

The use of the word "approving" contemplates a second pair of eyes for each Membership application, and this is not a reasonable or efficient task.

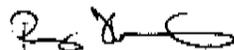
Article IX, Section 1

OCTFCU agrees with the proposed change prohibiting both the compensated officer and the financial officer from serving on the Supervisory Committee.

In closing, the proposal includes several changes that benefit credit unions and we welcome those amendments. At the same time, we encourage NCUA to consider electronic delivery of notices wherever feasible as well as other recommendations addressed above that seek to improve efficiencies.

Thank you again for the opportunity to express our views on the amendments to the FCU Bylaws.

Sincerely,



Rudy Hanley
President/CEO
Orange County Teachers Federal Credit Union