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SSIC 3700

89-1009

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FROM: Assistant General Counsel, Hattie M. Ulan

SUBJ: Nonstandard Bylaw Amendment, []

(Your October 6, 1989, Memo)

DATE: November 30, 1989

[] ("the FCU") wants to adopt the standard bylaw amendments to Article VI, Sections 1 and 2 and Article V, Section 2. The first two amendments address nominations by petition and from the floor at the annual meeting. Article V, Section 2 is a required companion amendment concerning sending the notice of the annual meeting to FCU members. A second companion amendment is also required to Article VI, Section 8, to provide for the use of ballot boxes and/or voting machines before the annual meeting.

The companion amendment to Article VI, Section, 8 requires the FCU to have voting facilities available for a certain period prior the annual meeting. The FCU does not wish to adopt the companion amendment because they want all the voting to take place at the meeting and not before.

ANALYSIS

The description to the change to Article VI, Section 8 (allowing for ballot boxes and/or voting machines outside the annual meeting) in the Federal Credit Union Standard Bylaw Amendments and Guidelines (page 26) provides, in part:

The purpose of such an amendment is to make possible a greater participation in elections. These amendments are particularly desirable where a substantial number of members cannot attend the annual meeting at any given hour or in those cases where a credit union serves several locations.

Since the Standard Bylaws do not give this option and the FCU Act only provides for annual elections with no further details, we have no legal objections to the FCU's request.

This is a policy decision which we defer to you, the other Regions, and the Office of Examination and Insurance.