

GC/JT:sg

SSIC 3700

90-0211

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FROM: Associate General Counsel

Hattie M. Ulan

SUBJ: Nonstandard Bylaw Amendments, []

(Your February 6, 1990, Memorandum)

DATE: March 1, 1990

You have asked for our comments on three nonstandard bylaw amendments proposed by the above-referenced FCU. We have no legal objection to the proposed amendments. We defer to your judgment on whether they should be granted.

ANALYSIS

The first proposed amendment adds a provision to Article VI, Section 7 ("Elections"). The FCU states that the amendment adds a provision for voting by ballot. The proposed bylaw section provides:

The minimum age of 16 years permits a qualification for eligibility to vote either by written ballot or at meetings of the members, or to hold elective or appointive office, or both. Ballots will not be issued or mailed to members not eligible to vote.

The amendment does not violate the FCU Act or NCUA's Regulations.

We have no objection to it.

The second proposed amendment adds a provision to Article VI, Section 8(b). The amendment permits the secretary of the board to establish a 65-day cut-off date prior to the annual meeting which will be used to determine member eligibility to vote. Ballots will be mailed to the members at least 50 days prior to the annual meeting.

The amendment does not violate the FCU Act or NCUA's Regulations. We have no objection to it.

The third proposed amendment adds a provision to Article VI, Section 8(f). The amendment would permit the destruction of ballots ten days after the annual meeting, provided that the election was not contested during this ten-day period. The amendment does not violate the FCU Act or NCUA's Regulations. However, ten days to contest the election may not be sufficient time. NCUA Publication 8001A (FCU Standard Bylaw Amendments and Guidelines) sets forth several questions and answers concerning membership meetings. On page 20, answer f. states that "it is recommended that ballots be retained until the next annual meeting, at which time they may be destroyed upon approval of the members.,, We defer to your judgment on this issue.