

GC/MRS: sg

SSIC 3700

91-0750

[ ]

FROM: James J. Engel, Deputy General Counsel

SUBJ: Proposed Nonstandard Bylaw Amendment -

[ ] (Your July 25, 1991, Memorandum)

DATE: August 14, 1991

You requested our comments on a nonstandard bylaw amendment proposed by [ ]. The proposed amendment would add a sentence to Article vi, Section 2 of the credit union's bylaws, providing that no director or committee member may be a paid employee of the credit union for at least two years following the termination of his position as a director or committee member.

We have no legal objection to the amendment. As you point out in your memorandum, the proposed amendment is similar to one of the standard bylaw amendments for natural person FCUs. The proposed amendment does not violate either the FCU Act or NCUA's Rules and Regulations. We defer to your judgment as to whether the proposed amendment should be approved.