

GC/MM:sg

SSIC 6100

91-0819

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FROM: James J. Engel, Deputy General Counsel

SUBJ: [] Nonstandard Bylaw Amendment

(Your July 25, 1991, Memo)

DATE: August 22, 1991

You have asked whether there are any legal prohibitions on approving a nonstandard bylaw amendment request of [] (FCU). You have indicated that you are inclined to approve the amendment. We have no legal objection.

[] (FCU) believes its election costs are excessive. In accordance with Article V Section 8 of its bylaws, the FCU mails out 1200 or more ballots and postage prepaid mailing envelopes to its member for annual meeting elections. During the past several elections an average of only 500 members actually voted by mail. The FCU incurred the postage expense for approximate 700 prepaid envelopes that were not used and the cost of which is unrecoverable. To rectify this problem the FCU proposes the following:

- (1) The FCU will no longer provide the member with a prepaid postage envelope to use for returning the ballot and instead provide a preaddressed unstamped return envelope for the member to use to return the sealed ballot to the tellers.
- (2) A locked ballot box will be located in the FCU's office under the control of the tellers, in which the member can place his sealed ballot. This will accommodate those members who want to vote but do not want to pay the cost of mailing the ballot back to the FCU.

To accomplish the above, the FCU has requested a nonstandard bylaw amendment. The FCU Act and NCUA's Rules and Regulations do not prohibit such a voting procedure. Therefore we have no legal objection to the FCU's nonstandard bylaw amendment request as outlined in your letter.