

GC/MRS:sg

SSIC 3700

92-0126

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FROM: Hattie M. Ulan, Associate General Counsel

SUBJ: [] Request for Approval of Nonstandard Bylaw Amendment

(Your January 22, 1992 Memorandum)

DATE: February 6, 1992

The subject FCU wishes to amend Article VI, Section I of its bylaws to provide that the nominating committee will be appointed at least 150 days prior to the annual meeting, and require that the nominating committee obtain a statement of qualifications and biographical data, in a form approved by the board of directors, from each nominee. We have no legal objection to the proposed amendments.

Under Article VI, Section 1 of the Standard FCU Bylaws, the president must appoint a nominating committee at least 120 days before the annual meeting. Nothing in the FCU Act or the Regulations requires use of the 120 day figure, and we consider it a suggested minimum, rather than an absolute maximum. As the FCU states in its letter, the requested change will give the nominating committee more time to carry out its duties. We have no objection to the proposal.

Nor do we see any legal impediment to the FCU's proposed inclusion of language requiring the nominating committee to obtain the nominees' statements of qualifications and biographical data. Paragraph two of the Standard Amendment to Article VI, Section 1 indicates that such statements shall be included with the notice of the election, and paragraph two of the FCU's proposed amendment contains the same wording. While we do not see a compelling need for the requested change, the FCU states in its letter that there has been some confusion due to the wording of its current Article VI, Section 1, and FCU officials apparently believe that the change will eliminate confusion about the nominating committee's duties. The proposal does not violate the FCU Act or the Regulations, and we therefore have no objection to it.

Of course, we leave it to you to determine what effect, if any, the proposed amendments would have on the FCU's safety and soundness, and we defer to your judgment as to whether the request should be granted.