

GC/MFR:bhs

SSIC 3700

94-0624

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FROM: Richard S. Schulman, Associate General Counsel

SUBJ: Standard Bylaw Amendment

DATE: August 2, 1994

This office in conjunction with the Regions believes that a standard bylaw amendment addressing the issue of the board appointing a loan review committee in the absence of a credit committee is appropriate. Based on the comments from the Regions, the following language would address all concerns and be appropriate as a standard bylaw amendment:

Article VII, Section 5(g). Appointing a loan review committee, if the bylaws do not provide for a credit committee. The board may authorize the committee to overturn member loan application denials by a loan officer. The loan review committee shall function as a mid-level appeal committee and, upon written request of the member, shall review member loan applications denied by a loan officer. The original loan officer shall not participate in the review. Any denial of a member loan application, which is not overturned by the loan review committee may be appealed in writing to the board of directors.

We have attached the comments from the Regions for your review.

Enclosures (no attached)

cc: All Regional Directors