

GC/MFR:bhs

SSIC 6100

94-0712

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FROM: Richard S. Schulman, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendment for [], Article VII, Section 7

(Your June 21, 1994, Memorandum)

DATE: July 22, 1994

[] proposes to amend Article VII, Section 7 of its bylaws, which currently provides for removal of directors and credit committee members who fail to attend regular meetings for three consecutive months or otherwise fail to carry out their duties. The credit union plans on retaining this language but adding a provision that allows for removal of directors if they fail to attend 75% of all scheduled meetings during the election year and credit committee members if they fail to attend 75% of all meetings. Scheduled meetings includes not only regular meetings, but special meetings, seminars and planning sessions where board members are given 10 days advance notice.

We have in the past allowed credit unions to define "regular meetings" as used in Article VII, Section 7 to include "monthly board meeting, annual organizational meeting and annual planning meeting." We have no objection to this further expansion of the meeting definition.

This bylaw provision on removal does not implement provisions of the Federal Credit Union Act or NCUA's Rules and Regulations and we would defer to your judgment as to the safety and soundness of the proposed amendments.