

GC/MFR:bh

SSIC 61 00

94-0733

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FROM: Richard S. Schulman, Associate General Counsel

SUBJ: [] - Nonstandard Bylaw Amendment

(Your July 22, 1994, Memorandum)

DATE: August 4, 1994

[] is in the process of converting to a federal charter. The FCU Bylaws require that the directors and credit committee members be selected by the subscribers on the issuance of the federal charter and then stand for reelection at the first annual meeting. Since this is an operating credit union with competent directors and committee members currently in place, rather than disrupt the operation, the credit union is requesting a nonstandard bylaw amendment to allow the directors and credit committee members to continue in office until their current term expires.

We have no objection to this nonstandard bylaw amendment as proposed in your memorandum. This bylaw provision 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.