

GC/MFR:bhs

SSIC 6100

96-0229

[ ]

FROM: Richard S. Schulman, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendment - [ ]

(Your February 13, 1996, Memorandum)

DATE: February 23, 1996

You asked for our opinion on a proposed nonstandard bylaw amendment to Article VII, Section 4. Consistent with prior opinions, you have approved the request to allow the board to hold its meetings by "audio or video conference". The FCU is further requesting to amend the standard bylaw amendment which requires that the board meet in person at least "once each calendar quarter" by deleting in its entirety the requirement that the board meet in person. As explained in the attached July 18, 1995, memorandum from me to [ ] analyzing a similar request, we have no legal objection. The distinction between that request and this one is that the board wanted to replace the quarterly requirement for a regular meeting with an annual requirement. To do away with all face-to-face meetings, as the FCU is requesting, although not illegal, raises safety and soundness concerns on which we defer to your judgment.

We have no objection to your proposal to require at least one face-to-face board meeting per year and to approve the requested bylaw amendment on a two year trial basis.