

GC/MFR:bhs
SSIC 6100
98-0405

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendments -
Your Memorandum dated March 30, 1998.

DATE: April 27, 1998

You have asked for our comments on [] Federal Credit Union's request for two nonstandard bylaw amendments. We have no legal objection to the proposed amendments but as explained below, believe they may be problematic for the federal credit union (FCU).

The FCU proposes eliminating the requirement for signatures for nominations by petition. The standard bylaw amendment provides for a "petition signed by one percent of the members with a minimum of 20 and a maximum of 500." Federal Credit Union Standard Bylaw Amendments and Guidelines (FCU Standard Amendments), Article VI, Section 1. The discussion preceding this section states that these numbers may be replaced by a specific number, but suggests that "the minimum number of petition signatures not be less than 20, so that only those persons sincerely interested in serving as officials would file petitions." FCU Standard Amendments, Page 30.

We defer to your office as to whether the need for greater participation in elections outweighs the potential for abuse when an individual is allowed to run for office simply by nominating themselves.