

GC/MFR:bhs
SSIC 6100
00-0555

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendment,
Your May 24, 2000, Memo.

DATE: June 14, 2000

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You have asked this office to review [] Federal Credit Union's request for a nonstandard bylaw amendment. We have no legal concerns with the proposed nonstandard bylaw amendment that deletes Article III, Section 7 from the bylaws. This provision sets out the requirements for joint account holders to be members without opening a separate share account. It was added to the bylaws when they were updated in October 1999 to clarify prior General Counsel opinions and the Accounting Manual on this issue. However, there is no legal requirement that a federal credit union (FCU) permit joint account holders to be members without opening a separate share account.

The FCU does not need NCUA approval for this amendment. As explained in the attached Foreword to the bylaws, an FCU "may retain its current bylaws, adopt these revised bylaws in their entirety or retain portions of its current bylaws and adopt portions of these revised bylaws." Foreword, FCU Bylaws, October 1999. This means that an FCU only needs NCUA approval if it is adopting a bylaw that is not contained in the October 1999 FCU Bylaws. Retaining a previously adopted bylaw, or as in this case, the absence of one, does not require NCUA approval.

Attachment