

GC/MFR:bhs  
SSIC 3700  
01-0653

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendments

DATE: July 6, 2001

You have asked this office to review several proposed nonstandard bylaw amendments requests from [ ] Federal Credit Union. Below are our comments on each proposal.

The Federal Credit Union (FCU) Bylaws provide that for elections by ballot boxes, the ballot boxes should be made available for voting "at least 10 days prior to the annual meeting" and that all members be "given 24 hours" to vote. FCU Bylaws, Article V, Sections 2(b) and (c). The FCU proposes substituting "2 days" and "and the date of the annual meeting" for "10 days", and "3 business days" for "24 hours." We have no legal concerns with the proposal. As you note, the previous FCU Standard Bylaw Amendments and Guidelines allowed an FCU to adjust the time frames to meet its needs. We caution that voting on the date of the annual meeting under Section 2(b) must conclude prior to the annual meeting so that the ballot box can be delivered to the annual meeting for members to vote there. FCU Bylaws, Article V, Section 2(d).

Next, the FCU proposes revising the mail ballot provision to require that candidates' names be placed in alphabetical order. FCU Bylaws, Article V, Section 8(c)(1). Currently, the bylaw provides that the order of candidates be determined by a draw of the lots. We have no legal concerns with the proposal.

Finally, the FCU proposes eliminating the authority in Article VII, Section 1 to compensate "one" board officer for services. The proposal states "no" board officer may be compensated. We have no legal concerns with the proposal.