

GC/MFR:bhs  
SSIC 3000  
01-1021

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendments, [ ] Federal Credit Union

DATE: October 29, 2001

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

The Federal Credit Union Bylaws (FCU Bylaws) provide that deceased members' accounts may remain open for a period not to exceed four years. FCU Bylaws, Article III, Section 5(d). The FCU proposes extending the time to five years so that it is consistent with Connecticut escheat law. We have no legal concerns with this provision. We have previously approved nonstandard amendments that eliminated the four-year maximum for closing the accounts.

The FCU proposes eliminating the specific depository guidelines in Article XIII, Section 1, and instead addressing this issue in its Security and Records Preservation Policy. We have no legal concerns with this amendment.

You have listed as an attachment several bylaw amendments the FCU has requested that you plan to deny. As explained in the attached memo from me to [ ], dated June 14, 2000, we have no legal concerns with allowing an FCU to delete Article III, Section 7 from its bylaws. This provision permits both joint account holders to be members without opening a separate account. The memo explains that there is no requirement that an FCU permit this practice.

Attachment