

TO:

FROM: Sheila A. Albin, Associate General Counsel

SUBJ: Nonstandard Bylaw Amendment, [] FCU

DATE: March 18, 2004

You have asked for our concurrence on your decision to approve two of [] Federal Credit Union's (FCU's) bylaw amendment requests and deny one. We concur with your decision.

The first proposed amendment adds a provision to the FCU's bylaws that prohibits former employees from serving on the board. We concur with your decision to deny this request because it serves as an absolute bar to a member that is a former employee serving on the board.

The second proposed amendment adds a provision to the FCU's bylaws that prohibits a director or committee member from being a paid employee of the credit union for a period of five years after service on the board or committee. As you noted, we have approved similar nonstandard amendments and have no legal concerns with your approval of this amendment.

Finally, the FCU proposes substituting "Asset Liability Committee" (ALCO) for "Investment Committee" in Article VII, Section 11. As stated in OGC Legal Opinion 03-0626, dated July 3, 2003, we have no legal concerns with changing the name of the committee to ALCO.