

GC/EAW:bhs
05-1226R

TO: []
FROM: Sheila A. Albin, Associate General Counsel
SUBJ: Proposed Bylaw Amendment – [] Federal Credit Union
DATE: January 17, 2006

Under NCUA Delegations of Authority, Supervision 12, you have asked for our concurrence regarding a proposed bylaw amendment from [] Federal Credit Union (FCU). The amendment would require directors to select supervisory committee members at the second, rather than the first, regular board meeting after the credit union's annual meeting and election. We have no legal objection to this amendment.

The standard FCU bylaws allow the board of directors to appoint temporary members of the supervisory committee to fill vacant positions, and require the board to select permanent supervisory committee members to replace the temporary members at the first regular board meeting after the annual meeting. FCU Bylaws, Article VI, §4. The FCU would like to allow its directors to select the permanent members of the supervisory committee at the second regular board meeting after the annual meeting. The FCU explains this would allow the directors additional time to consider and select supervisory committee members, rather than forcing them to make a hasty choice.

The proposed amendment does not violate the Federal Credit Union Act or NCUA's regulations. As the amendment retains a firm deadline for selecting new supervisory committee members, we have no objection to it.