

OGC:AMT:bhs  
07-0601R

TO: [ ]

FROM: Sheila A. Albin, Associate General Counsel /S/

SUBJECT: [ ] Federal Credit Union (FCU)  
Nonstandard Bylaw Amendment

DATE: July 11, 2007

Under NCUA Delegations of Authority, Supervision 12, you have asked for concurrence regarding [ ] FCU's proposed amendments to Article VI, Section 8, and Article IX, Section 2, of its bylaws. [ ] FCU proposes adding attendance and removal requirements for the supervisory committee similar to those for the board of directors. [ ] FCU further proposes to change the language in Article IX, Section 2 so the chair and secretary of the supervisory committee may not be held by the same person. The proposed amendments are legally permissible.

You indicate you are inclined to approve the proposed amendments. OGC previously supported an FCU's change to Article VI, Section 8 of its bylaws that removed a director for non-attendance at board meetings. OGC Op. 05-1228R (January 9, 2006). OGC has not identified any legal impediment to the proposed language for Article IX, Section 2.

Based on the FCU's submission, the proposed language for Article VI, Section 8 of [ ] FCU's Bylaws may be changed to add the following paragraph:

If a committee member fails to attend regular meetings of the supervisory committee for three consecutive months, or four meetings within a calendar year, or otherwise fails to perform any of the duties as a committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws.

The proposed language for Article IX, Section 2 of [ ] FCU's Bylaws may be changed to read as follows:

The supervisory committee members choose from among their number a chair and a secretary. The secretary of the supervisory

committee prepares, maintains, and has custody of full and correct records of all actions taken by it. The offices of chair and secretary may not be held by the same person.

Please contact Staff Attorney Annette Tapia or me if you have any questions.