

OGC:AMT:bhs
07-1030R

TO: []

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

SUBJECT: [] Federal Credit Union
Nonstandard Bylaw Amendment

DATE: November 8, 2007

Under NCUA Delegations of Authority, Supervision 12, you have asked for concurrence regarding []'s proposed amendments to Article V, Section 1, Option A4 of its Bylaws. [] proposes to use one mailing to advise members of the appointment of the nominating committee, their rights and requirements to be nominated by petition, and inform members the election will be by acclamation when there is only one nominee for each position. [] also wishes to eliminate mailing members a list of the nominating committee's nominees, including nominees' qualifications and biographical data, with the written notice to all members. The proposed amendments are impermissible. [] also wishes to make a minor change to the structure of one sentence in the provision and we have no objection to this change.

Article V, Section 1, Option A4 of the Bylaws requires the nominating committee to file its nominations with the secretary of the credit union at least 90 days before the annual meeting. The secretary then notifies all members eligible to vote in writing at least 75 days before the annual meeting that nominations may also be made by petition. This notice includes a brief statement of nominee's qualifications and biographical data. The notice must state the closing date for receiving nominations by petition. The Bylaws require the period for receiving nominations by petition extend at least 30 days from the date of the petition requirement and the list of the nominating committee's nominees are mailed to all members.

[] is attempting to streamline notification procedures in connection with nominations for directors in order to decrease the processing, printing, and mailing costs associated with holding the election. You are inclined to deny this proposed amendment because the credit union is eliminating the required 30-day time period between the membership receiving notification of the nominating

committee's nominees and the time to file nomination by petition. We concur with denying the request. Knowing who the nominees selected by the nominating committee are may be an important factor in a member's decision to launch a petition campaign.

[] also wishes to change the language of Article V, Section 1, Option A4 by breaking once sentence into two. This is a minor structural change that does not change the meaning of the sentence and we have no objection to this change.

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