

OGC/LKD:bhs  
08-0932R

TO: [ ]  
FROM: Sheila A. Albin, Associate General Counsel /S/  
SUBJ: [ ] Federal Credit Union Bylaw Amendments  
DATE: October 8, 2008

You have asked us to review [ ]'s proposed bylaw amendments and inform you of any concerns with approving the request. [ ] proposes adding a new Section 2 to Article VII of its bylaws establishing director eligibility qualifications to [ ]'s corporate's governance policies. [ ] also proposes adding titles to nine of the eleven sections under Article VII. NCUA Delegations of Authority, COR 6, authorize you to approve or disapprove corporate bylaw amendments with the prior concurrence of the Office of General Counsel. We have no legal objections to the proposed changes. We offer a few suggestions below to enhance the bylaws' clarity and consistency.

The bylaw amendment establishes that directors must meet eligibility qualifications and indicates the specific qualifications will be set forth in the corporate's governance policies. We recognize providing the specific eligibility criteria outside of the bylaws avoids the necessity of changing the bylaw provision each time the credit union makes a change in criteria. It would be beneficial to state in the bylaws, however, the specific policy where the qualifications can be found. Based on information provided by [ ]'s counsel to our office in May 2008, the eligibility qualifications are located in [ ]'s Board Election Policy.

Regarding the titling of sections, we note that sections nine and eleven do not include titles. These sections concern the suspension of supervisory committee members and the monthly statement of financial condition, respectively. We suggest adding titles to these sections accordingly.

If you have any questions, please feel free to contact staff attorney Linda Dent or me.