

December 4, 1996

Roberto Feliberti, Esquire  
Caribe Federal Credit Union  
U.S. Federal Building, Suite 733  
150 Carlos Chardon Avenue  
San Juan, PR 00918-1730

Re: FCU Bylaws (Your September 26, 1996, Letter)

Dear Mr. Feliberti:

You have requested the National Credit Union Administration's (NCUA's) assistance in interpreting your federal credit union's (FCU's) bylaws and resolving election issues at your FCU. Below are our responses to your specific questions.

As a preliminary matter, the Bylaws Manual for Federal Credit Unions published by NAFCU and referred to in your letter is a republication of the Federal Credit Union Bylaws issued by NCUA. Pursuant to Section 108 of the Federal Credit Union Act (12 U.S.C. §1758), NCUA has sole authority to issue bylaws for FCUs.

Your first question relates to Article VIII, Section 10 of your FCU's bylaws wherein "the assistant executive officer is to have the title of Vice President." However, your FCU has two vice presidents. You ask if this is in compliance with NCUA's Regulations. NCUA has no regulation on this issue. Your bylaws should reflect either which Vice President, 1st or 2nd, actually serves as the assistant executive officer, or whether you have more than one assistant executive director.

Next, you seek a legal opinion from this office on how to ensure that **only** those individuals eligible for election place themselves in a position to be nominated. You correctly state NCUA's position with respect to eligibility requirements for election to the board of directors of an FCU. As long as an individual is a member of the FCU, meets the minimum age requirements set by the FCU and has not been convicted of a crime involving dishonesty or breach of trust, he/she is eligible for election to the board of directors. However, we are not in a position to provide you with the requested opinion. This is a question of policy to be addressed by your board; it is not covered by the Federal Credit Union Act or NCUA's regulations. We suggest you consult state corporate and common law to determine if your proposals are legally permissible. We also suggest that your members be notified of any policy well in advance of the election.

Finally, we have no legal objection to the criteria being considered by the nominating committee for nomination to the board of directors.

Sincerely,

Michael J. McKenna  
Acting Associate General Counsel

GC/MFR:bhs  
SSIC 3700  
96-1011