

April 6, 1998

Harold P. Knutty, Chairman of the Board
Mather Federal Credit Union
P.O. Box 790
Rancho Cordova, California 95741-0790

Re: Article XIX, Section 6 of the FCU Bylaws

Dear Mr. Knutty:

You have asked about the meaning of Article XIX, Section 6 of the Federal Credit Union Bylaws (FCU Bylaws) that states "(a)ll books of account and other records of this credit union shall at all times be available to the directors and committee members of this credit union." In your letter, you specifically reference as examples Investment and Cost Control Committees. You comment that the bylaw seems to give unusual latitude and ask whether there must be a reason for the access.

We believe the bylaw is limited to those committees defined in the FCU Bylaws which are: the Credit Committee; the Executive Committee; the Nominating Committee; and the Supervisory Committee. We interpret this provision to allow any director or committee member, as defined in the FCU Bylaws access to all records of the credit union. The bylaw assumes that access is in connection with credit union business and that directors and committee members will act responsibly in exercising this privilege. If the board is aware of committee members using credit union records for personal matters, rather than credit union business, we suggest that they consult with local counsel to discuss appropriate legal action.

We also note that an FCU board could set up other committees not specifically referenced in the bylaws and, as part of setting them up, give committee members access to certain records as appropriate to the functions of the committee.

Sincerely,

Sheila A. Albin
Associate General Counsel

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