

October 19, 2000

Stephen J. Edwards, Esq.  
P.O. Box 321  
Mount Freedom, New Jersey 07970

Re: Discharging a Credit Committee by Amending Bylaws.

Dear Mr. Edwards:

You have asked whether a federal credit union (FCU) may terminate an elected credit committee by adopting a bylaw that requires the appointment of loan officers instead of a credit committee. FCU Bylaws, Art. VIII, Option 2. Yes, an FCU may replace an elected credit committee with loan officers once the FCU's board has adopted the new bylaw.

FCUs may adopt any bylaw from the FCU Bylaws, revised in October 1999, without prior approval from NCUA. A standard amendment to an FCU's bylaws becomes effective immediately unless otherwise specified in the motion. In accordance with ROBERT'S RULES OF ORDER, an FCU may "amend its bylaws so as to affect the emoluments and duties of officers already elected, or even to abolish an office . . . ." ROBERT'S RULES OF ORDER 591 (1990). Therefore, an FCU may adopt a bylaw requiring the appointment of loan officers that, in effect, terminates or discharges a currently seated credit committee.

Sincerely,

Sheila A. Albin  
Associate General Counsel

GC/CJL:bhs  
SSIC 3700  
00-1006