

April 10, 2018

National Credit Union Administration
Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments on FCU Bylaws ANPR

Dear Mr. Gerald Poliquin,

Introductory paragraph:

I am writing on behalf of [Pearl Hawaii FCU], which serves [community chartered serving the Island of Oahu]. We have [24,033] members and \$344,420,365 in assets. [Pearl Hawaii FCU] appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its advanced notice of proposed rulemaking (ANPR) regarding ways to streamline, clarify, and improve the Federal Credit Union (FCU) standard bylaws.

Letter Body:

How can the Board improve the bylaw amendment process to provide a requesting FCU with a timelier response, greater transparency, and enhanced accountability?

Send request directly to the agency and by-pass the region. Is it really necessary to send in a formal request for an amendment that has been previously approved?

How can the Board improve Article II, § 4 of the standard FCU bylaws to provide FCUs with the greatest possible clarity regarding a limitation of service and expulsion of members policy?

When credit unions were small calling a special meeting to expel a member may have been warranted. Propose allowing credit unions to expel a member for unlawful or unacceptable behavior (i.e. Kiting, disorderly conduct such as threatening a staff member) or causing the credit union a loss.

Should the Board remove the limitation of services provisions from the bylaws and address it as a separate regulation?

No opinion. I think the duties of the Board, Supervisory Committee and Credit Committee should be in a separate document.

Should the Board include commentary in Article V recommending certain non-binding factors that the nominating committee may consider when selecting a candidate to fill a vacancy? If so, what factors should the Board highlight?

Yes. The candidate should be a member in "good standing" with the credit union, have a minimal amount of financial literacy, have a basic knowledge of credit unions and have been a member of the credit union for a minimum of 2 years.

Should the Board include commentary in Article V authorizing FCUs to establish standing advisory committees designed to recruit potential candidates to fill board vacancies? If so, which individuals within the FCU should be part of this advisory committee? What safeguards should be put in place to prevent conflicts of interest?

Consider adding one or two members of the Supervisory committee to address the appearance of "conflict of interest" problems

Are the required notice periods for annual and special meetings adequate to ensure members have sufficient advanced notice to attend the meetings?

Yes

Should the Board allow an FCU to conduct annual or special meetings through teleconference, and would this encourage greater member participation?

No, it would be too cumbersome and costly. On Oahu, everyone is within a relatively short driving distance from the annual meeting.

What technological market solutions exist to allow members to debate issues brought to the floor or to securely vote on director nominations via a teleconference meeting? Could this technology be provided through a mobile application? What risks are associated with the use of these products?

Although technology such as teleconferencing, mobile apps are available the greatest concern would be security, our credit union would not use them at this time. Risk of voter fraud should also be considered before using mobile apps.

Do you have concerns with any other provision of the standard FCU bylaws? If so, please provide specific comments.

NCUA should delete the minimum subscription provision to become a member and remain a member. Most minimum share amounts are nominal. Consider removing the requirement that the Board approved Membership Officer review and approve new members.

Summary of your position:

[Write the summary of your position here.]

Closing paragraph:

Thank you for the opportunity to comment on this ANPR and for considering our views on ways to improve the FCU standard bylaws.

Sincerely,

Gordon Sam
Board Chairperson
Pearl Harbor FCU

cc: CCUL