

April 09, 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,

(Please the formatting issues in what follows. Copy and paste didn't work all that well.)

I am writing on behalf of Essex County Teachers FCU (ECTFCU), which serves employees of the Boards of Education in Essex County, NJ. We have 2,600 members and 14 million dollars in assets. ECTFCU 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.

In the ANPR the Board poses several questions:

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

It strikes me that this is an internal NCUA management issue. Perhaps add a service commitment to the Introduction to Appendix A to Part 701, ¶ C. 3., such as "Credit unions requesting amendments will receive notice of the decision within 30 business days of the receipt of the request.

2. 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?

Incorporate the language of the commentary that immediately precedes this question describing the Office of General Counsel's longstanding interpretation.

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

I think it is appropriate for it to be in the bylaws, but from a consumer protection standpoint a regulation governing an FCU's invoking limitations of services probably makes sense.

4. 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?

I don't think it's appropriate to include something like this in the bylaws. It is the duty of the Nominating Committee to establish candidate qualifications, subject to the approval of the Board. I also think the title of Article VII, "Board Officers, Management Officials and Executive Committee" is inaccurate in that it also describes an Investment Committee. Perhaps it should be expanded to include the Nominating Committee and other committees the Board may deem necessary.

5. 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?

I think my comment on #4 could cover this, but the selection of individuals and prevention of conflicts of interest should be the responsibility of the Board, not a bylaw mandate.

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

Yes.

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

Yes and yes. Since there's no good way to ID all of the participants, however, certain decisions, e.g., a merger should be required to be in person or by secure ballot.

8. 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?

In addition to teleconference there are now interactive audio/video conferencing solutions available, such as Zoom.

9. Could this technology be provided through a mobile application? What risks are associated with the use of these products?

Yes. Zoom meeting attendees can participate via smart phone. Difficulty in validating ID present a risk.

10. Should the Board eliminate overlaps between the NCUA's regulations and the FCU bylaws? Do these duplicative regulatory and bylaws requirements increase compliance burden?

Yes and yes.

11. If so, should the Board remove the overlapping provisions from the standard FCU bylaws to the greatest extent possible and make appropriate adjustments to the NCUA's regulations to maintain their substantive protections?

Yes.

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

Not that I can think of.

I think it is appropriate and timely for the Board to visit this topic periodically, especially given the advances in technology since the last review. Thank you for the opportunity to comment on this ANPR and for considering our views on ways to improve the FCU standard bylaws.

Sincerely,

Robert Steeves
CEO
Essex County Teachers FCU

cc: CCUL