

May 15, 2018

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Comments on Federal Credit Union Bylaws ANPR

Dear Mr. Poliquin:

I am writing on behalf of SchoolsFirst Federal Credit Union (SchoolsFirst FCU), which serves school employees and their family members in Southern California. We have more than 800,000 Members and over \$14 billion in assets. SchoolsFirst FCU appreciates the opportunity to comment on your advanced notice of proposed rulemaking on Federal Credit Union Bylaws.

How can the Board improve the FCU bylaws amendment process?

SchoolsFirst FCU recommends allowing FCU Boards the ability to amend their bylaws without approval from the NCUA's Office of Credit Union Resources (CURE) as long as Member rights are not impacted. This will allow a FCU to address pressing operational concerns in a timely manner as an important safety and soundness issue. By empowering a FCU to amend their own bylaws they will be able to tailor them to their Membership composition and Members' preferences.

How can the Board clarify the FCU bylaws provisions addressing limitation of service and expulsion of Members?

The Federal Credit Union Act (FCU Act) authorizes the board of directors of a FCU to expel a Member based on non-participation of a Member, if a non-participation policy has been adopted, or by a two-thirds majority vote of the Membership during a special meeting, as long as such a Member has been given the opportunity to be heard. SchoolsFirst FCU would like to see FCUs internally manage the process of expelling Members who exhibit significant financial misconduct or disruptive behavior, but recognizes that §1759 and §1764 of the FCU Act governs the process to expel Members and would require an Act of Congress to change.

While the FCU Act explicitly sanctions the expelling of Members or withdrawing a Membership, it is silent as to temporary suspensions. SchoolsFirst FCU recommends that such suspensions should be authorized by the credit union's president, president's designee, or the board of directors. Clarification of "disruptive to credit union operations" should also be provided to assist a FCU in implementing a limitation of services policy.

How can the Board improve the FCU bylaws to encourage Member attendance at annual and special meetings?

New technologies provide new ways to encourage more participation without a Member's physical presence. Explicitly, including the option of FCU Members to participate via technological means could allow more Members to participate in annual and special meetings.

SchoolsFirst FCU recommends that individual FCUs be given the option to use new e-commerce and mobile banking technologies to encourage Member attendance as long as sufficient safeguards are in place to insure that a vote by proxy is not made in violation of §1760 of the FCU Act.

SchoolsFirst FCU feels that the current guidelines on when Member notifications for annual and special meetings are adequate to ensure that Members have sufficient notice to attend these meetings.

SchoolsFirst FCU recommends clarification from the NCUA if posting the notice of a meeting on a FCU website and in the headquarters is sufficient for "posting the notice in a conspicuous place in the office of this credit union where it may be read by the Members.", or if notice must be posted in all FCU branches.

Should the Board eliminate overlaps between the NCUA's regulation and the FCU bylaws?

SchoolsFirst FCU recommends removing the bylaw provisions that overlap with NCUA regulations from the standard FCU bylaws. By removing these overlapping provisions, potential conflicts between the standard FCU bylaws and NCUA regulations that could arise when NCUA regulations are amended will be avoided.

Thank you for the opportunity to comment on this advanced notice of proposed rulemaking. We feel that our feedback and recommendations will allow our movement to better serve our Members by giving credit unions more flexibility to establish and maintain their community presence.

Sincerely,



Bill Cheney,
President/CEO
SchoolsFirst Federal Credit Union

cc: Credit Union National Association (CUNA)
California/Nevada Credit Union League (CCUL)