

# NCUA



## FEDERAL CREDIT UNION STANDARD BYLAW AMENDMENTS AND GUIDELINES

NCUA 8001 A(M3700)

Revised 10/91

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NCUA - FEDERAL CREDIT UNION STANDARD BYLAW AMENDMENTS AND  
GUIDELINES

National Credit Union Administration

Federal Credit Union Standard Bylaw Amendments and Guidelines

NCUA 8001 A(M3700)

Revised 10/91

## **NOTICE**

Federal credit unions can no longer adopt these standard amendments to the bylaws. However, any amendment adopted prior to October 14, 1999, may remain in effect. Any nonstandard bylaw amendment must be approved by the NCUA Board. See FORWARD to the current version (10/99) of the Federal Credit Union Bylaws found on the e-library.

## FOREWORD

This copy of **FEDERAL CREDIT UNION STANDARD BYLAW AMENDMENTS AND GUIDELINES** (NCUA 8001A) provides federal credit unions with a complete set of preapproved alternatives and optional amendments currently available but not included in the standard **FEDERAL CREDIT UNION BYLAWS**. This edition incorporates five changes adopted earlier by the NCUA Board.

The first change provides for a standard amendment to Article XIX, Section 8 of the Federal Credit Union Bylaws. This amendment permits boards of directors of federal credit unions, which so elect, to provide for indemnification for officials or employees.

The second change to Article XIX, Section 3 of the Federal Credit Union Bylaws eliminates the authority of a federal credit union's members to vote for the removal of credit union employees. The NCUA Board believes that it is important for the management of federal credit unions to retain flexibility in its employment decisions.

The third change adds Article XVIII, Section 2(a), which defines "persons retired as pensioners or annuitants". This definition was inadvertently omitted when the Federal Credit Union Standard Bylaw Amendments and Guidelines was last published.

The fourth change adds Article XVIII, Section 2(c) to the Federal Credit Union Bylaws, thereby expanding upon the current standard charter wording for "pensioners and annuitants". The intent of this standard bylaw amendment is to allow membership for retirees from a single company or government agency, who now live in the operating area of the federal credit union. There are two key elements in the interpretation of this standard bylaw amendment. The federal credit union must serve active employees of the company, government group, or military personnel and the retirees must reside in the same geographic area described in the territory of operation. For example, if there are specific exclusions of certain active employees, these same exclusions would apply to retirees as well.

Finally, the technical wording corrections made to Article VI, relating to the use of ballot boxes and/or voting machines for elections, which were outlined in Change 3 of the Federal Credit Union Standard Bylaw Amendments, have been further clarified. Credit unions that use ballot boxes or voting machines for the election process are not required to conduct an election when there is only one nominee for each position to be filled and the credit union has provided for nominations by petition.

Adoption of any of the enclosed amendments requires the affirmative vote of two-thirds of the members of your board at a meeting held in accordance with Article XXI of the Bylaws. Instructions for adoption of both standard and nonstandard amendments are provided herein.

For the National Credit Union  
Administration Board,

Roger W. Jepsen  
Chairman

## **Instructions for Adopting Standard Bylaw Amendments**

### **General Instructions**

The standard bylaw amendments can be adopted by resolution of the board of directors. Several of the standard amendments include a choice among two or more alternative operating procedures. Several also include companion amendments that must be adopted as a unit. The only requirement for adopting any of these amendments without formal approval by the regional director or the NCUA Board is that the standard wording must be included in the Certification of Resolution exactly as stated in this booklet. Any change in the wording must be submitted to the regional director for consideration.

### **Adoption Procedure**

The standard amendments are approved in advance and may be placed in effect immediately by taking the following action:

1. Adoption by the board of directors at a meeting held in accordance with Article XXI, Section 1, of the bylaws;
2. Execution of a Certification of Resolution (sample attached).

### **Completion of the Certification of Resolution**

The Certification of Resolution is the same type of resolution used by the board of directors to adopt a Change to the Federal Credit Union Bylaws. The completed resolution must be filed with the official bylaws. There will be no need to forward a copy to NCUA. Therefore, your federal credit union will have the only official copy of the standard bylaws adopted by your board of directors. Complete responsibility for keeping an accurate record of the standard bylaws is transferred to your credit union. NCUA will continue to have a record of only the nonstandard bylaws approved for an individual federal credit union. A periodic review of the official bylaws along with the responsibility for maintaining this document in order should be a normal management function. The board of directors' minutes, the official bylaws, and any resolutions adopted by the board, are reviewed by NCUA examiners as a part of the supervisory examination. Any questions on the completion of the Certification of Resolution or on procedures to follow should be referred to the appropriate regional office of NCUA.

(SAMPLE)

The entire form must be typed by the credit union using this format and wording. More than one amendment may be typed on the same Certification of Resolution. Six blank certification forms are included at the end of this booklet for your convenience.

CERTIFICATION OF RESOLUTION OF BOARD OF DIRECTORS

ADOPTING AMENDMENT TO BYLAWS

We, the undersigned, president and secretary of the \_\_\_\_\_

Federal Credit Union, Charter No. \_\_\_\_\_, \_\_\_\_\_ hereby

certify:

That by affirmative vote of two-thirds of the members of the

board at a duly held meeting thereof on \_\_\_\_\_, \_\_\_\_\_

the following resolution was adopted:

BE IT RESOLVED: That the following amendment/amendments of this credit union's bylaws is/are hereby adopted, as set forth below and approved in advance by the NCUA Board, to be effective immediately:

CERTIFICATE

Article \_\_\_\_\_, Section \_\_\_\_\_, of the bylaws shall be amended to read as follows:

(Type standard amendment/amendments exactly as stated in this booklet.)

That notice of the above meeting was given to board members in accordance with Article XXI, Section 1, of the bylaws;

That the foregoing resolution, together with the names of directors voting for the amendment/amendments, those voting against the amendment/amendments, and those absent from the meeting have been entered in full in the minutes of the board of directors of this federal credit union.

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President

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Secretary

## **INSTRUCTIONS FOR ADOPTING NONSTANDARD BYLAW AMENDMENTS**

Amendments not included within these guidelines are nonstandard bylaw amendments. Nonstandard bylaw amendments must be approved in writing by the NCUA Board before they may become effective. Federal credit unions wishing to adopt nonstandard bylaw amendments should request such amendments through the regional director of the National Credit Union Administration for the state in which they are located. The request should cover the following information:

- a. The section of the bylaws proposed to be amended;
- b. The reason why the amendment is considered desirable or necessary;
- c. What the proposed amendment will accomplish for the credit union; and
- d. The proposed wording of the amendment.

Upon receipt of the above information, the regional director will advise the credit union whether the proposed amendment will be approved.

**Federal Credit Union Standard Bylaw Amendments and Guidelines**

**EXACT STANDARD WORDING MUST BE USED**

**Article III, Section 1, of the Bylaws**

*To require a minimum installment payment of \$1 per month.*

This amendment increases the minimum installment to a more realistic dollar amount.

**Standard Wording:**

"The par value of each share shall be \$5. Subscriptions to shares are payable at the time of subscription, or in installments of at least \$1 per month."

**Article III, Section 3, of the Bylaws**

*To permit the board of directors to fine out share accounts under \$5 that are not increased to that amount within 6 months of the reduction.*

This amendment provides for a reduction in the costs of maintaining share accounts under \$5 for an extended period of time.

**Standard Wording:**

"The shareholdings of a member who fails to complete payment of one share within 6 months of his/her admission to membership, or of a member who reduces his/her share balance below \$5 and does not increase the balance to at least \$5 within 6 months of the reduction may be absorbed by a late charge upon authorization of the board."

The amendments to Article III, Sections 1 and 3, are companion amendments and must be adopted as a unit.

**Article III, Section 5(a), of the Bylaws**

*To exclude share draft accounts from the 60-day notice requirement.*

This amendment enables federal credit unions to participate in guarantee arrangements when the ability to guarantee share drafts is considered commercially necessary to permit the effective use of share drafts in the marketplace. This amendment should be adopted by a federal credit union that offers share draft accounts.

## OCTOBER 1991

### Standard Wording:

"The board shall have the right, at any time, to require members to give, in writing, not more than 60 days notice of intention to withdraw the whole or any part of the amounts so paid in by them except for those amounts paid into share draft accounts."

### **Article VII, Section 4, of the Bylaws**

*To permit conference telephone call meetings to replace regular meetings of the board of directors.*

The purpose of this amendment is to permit greater participation of members in the management of the credit union where the field of membership includes persons not in the same general locality. Where such members are elected to the board of directors, the use of conference telephone call board meetings becomes especially desirable to permit full participation in management. A "conference telephone call board meeting" is one where all the board members are on the line at the same time. The examiner, as part of the examination review of bylaws and board minutes, will determine whether or not the provisions of the bylaw amendment are being properly utilized.

### Standard Wording:

"A regular meeting of the board shall be held each month at the time and place fixed by resolution of the board. The president, or in his/her absence, the ranking vice-president, may call a special meeting of the board at any time; and shall do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the president, or in his/her absence, the ranking vice-president, shall fix the time and place of special meetings. Notice of all meetings shall be given in such manner as the board may from time to time by resolution prescribe.

"A regular meeting of the board as described in the above paragraph may be replaced by a conference telephone call meeting if the following conditions are met:

(a) The board must be sufficiently geographically dispersed so that the holding of a regular meeting is impracticable;

(b) A regular meeting must be convened, at a minimum, once each calendar quarter;

(c) At least 7 days prior to each conference telephone call meeting, the secretary shall cause the following information to be distributed to each director:

## OCTOBER 1991

- (1) Minutes of the previous meeting
  - (2) Reports of officers, standing committees, or of any special committees
  - (3) Special orders, or matters which have been assigned priority
  - (4) Any written information on unfinished business or new business that has been given to the secretary by any director
- (d) Minutes of conference telephone call meetings must be signed by each conferee at the next regularly convened meeting of the board at which the conferee is present."

### OPTIONAL CREDIT COMMITTEE

A federal credit union's board of directors may, by adopting the appropriate enclosed standard bylaw amendments, terminate the credit committee and appoint one or more officers or appoint a new credit committee.

### **Article VII, Section 5 of the Bylaws**

Option 1: *To eliminate the credit committee and vest power in the board of directors to appoint and delegate authority to one or more loan officers and to review written appeals of members whose loan applications have been denied.*

### DELETIONS AND CHANGES

**Article III, Sections 5(c) and (d)-** Reference to the credit committee shall be deleted.

**Article V, Section 4(e)-** Reference to the credit committee shall be deleted and in its place shall be a reference to the loan officer(s).

**Article VI, Section 3-** This section shall be deleted.

**Article VI, Section 6-** Reference to the credit committee shall be deleted.

**Article VII, Sections 3 and 7-** References to the credit committee and its members shall be deleted.

**Article VIII, Section 7-** References to the credit committee and loan officer shall be deleted.

## OCTOBER 1991

**Article IX-** Title to this article shall be changed to "Loan Officers".

**Article IX, Sections 1, 2, 3 and 5-** These sections shall be deleted.

**Article IX, Section 4-** Renumber this section as Section 1 and revise standard wording to read:

"Each loan officer shall maintain a record of each transaction approved or not approved by him/her within 7 days of the filing of the application or request, and such records shall become a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal which he/she has approved as a loan officer".

**Article IX, Sections 6, 7 and 8-** Renumber these sections as Sections 2, 3 and 4; respectively, and delete references to the credit committee.

**Article X, Section 1-** Reference to the members of the credit committee shall be deleted and in its place shall be a reference to the loan officer(s).

**Article X, Section 2-** Reference to the credit committee shall be deleted.

**Article XI, Sections 1 and 2-** References to the credit committee shall be deleted.

**Article XII, Section 5-** Reference to the credit committee and its members shall be deleted.

**Article XII, Section 7-** References to the credit committee shall be deleted and in its place shall be references to the loan officer.

**Article XIX, Section 4-** References to the credit committee shall be deleted.

**Article XX, Section 2-** Replace the standard wording, "the regularly elected credit committee" with "a loan officer".

Standard Wording:

**Article VII, Section 5(e)-** Renumber this section as Section 5(g).

## OCTOBER 1991

**Article VII, Section 5(e)**- Add the following new section:

"Reviewing denied loan applications of members who file written requests for such reviews".

**Article VII, Section 5(f)**- Add the following new section:

"Appointing one or more loan officers and delegating to these officers the power to approve or disapprove loans, lines of credit, or advances from lines of credit".

*Option 2: These amendments are to be used if the credit committee is to continue but with the members of the committee appointed by the board rather than elected.*

### DELETIONS AND CHANGES

**Article VI, Section 3**- This section shall be deleted.

**Article VII, Section 3**- Delete the second reference to the credit committee.

**Article XI, Section 1**- The reference to the credit committee shall be deleted from this section.

**Article XI, Section 2**- The reference to the credit committee in the second sentence of this section shall be deleted. Revise the last sentence of this section to read:

"If any person elected as a director or appointed as a credit or supervisory committee member does not qualify as member within 30 days of such an election or appointment, his office shall automatically become vacant and shall be filled by the board."

**Article XI, Section 3**- Revise the second sentence of this section to read:

"The board shall also appoint at this meeting a credit committee as provided in Article IX, Section 2, of these bylaws and a supervisory committee as provided in Article X, Section 1, of these bylaws".

**Article XX, Section 2**- Revise the last portion of the first sentence of this section to read:

"... the approval of loans if the regularly appointed credit committee is not available."

## OCTOBER 1991

### Standard Wording:

**Article VII, Section 5(e)**- Renumber this section as Section 5(f).

**Article VII, Section 5(e)**- Add the following:

"Appointing an odd number of credit committee members as provided in Article IX of these bylaws".

**Article IX, Section 2**- Replace the existing section with the following:

"Regular terms of office for credit committee members shall be for periods as determined by the board and as noted in the board's minutes".

*To allow the replacement of an official who fails to attend meetings regularly.*

### **Article VII, Section 7 of the Bylaws**

This amendment prevents board members or credit committee members from taking advantage of the "three consecutive months" rule by attending once every three months. With the increased complexity of credit union operations, it is desirable that the board and credit committee members be "active" and participate regularly in the meetings of those respective groups.

### Standard Wording:

"If a director fails to attend regular meetings of the board for 3 consecutive months, or any 4 months in any calendar year, or otherwise fails to perform any of the duties devolving upon him/her as a director, his/her office shall be declared vacant by the board and the vacancy filled as herein provided. The board may remove any executive officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

"If a credit committee member fails to attend regular meetings of the credit committee for 3 consecutive months, or otherwise fails to perform any duties devolving upon him/her as a credit committee member, his/her office be declared vacant by the board and the vacancy filled as herein provided.

## OCTOBER 1991

"When any executive officer, membership officer, or executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of his/her office, the board may, by resolution, designate another member of this credit union to act temporarily in his/her place. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum."

or

### Standard Wording:

"If a director fails to attend regular meetings of the board twice within 4 consecutive months, or otherwise fails to perform any of the duties devolving upon him/her as a director, his/her office may be declared vacant by the board and the vacancy filled as herein provided. The board may remove any executive officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

"If a credit committee member fails to attend regular meetings of the credit committee for 3 consecutive months, or any 4 months in any calendar year, or otherwise fails to perform any duties devolving upon him/her as a credit committee member, his/her office may be declared vacant by the board and the vacancy filled as herein provided.

"When any executive officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of his/her office, the board may, by resolution, designate another member of this credit union to act temporarily in his/her place. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum."

or

### Standard Wording:

"If a director fails to attend regular meetings of the board twice within 4 consecutive months, or any 4 months in any calendar year, or otherwise fails to perform any of the duties devolving upon him/her as a director, his/her office shall be declared vacant by the board and the vacancy filled as herein provided. The board may remove any executive officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

## OCTOBER 1991

"If a credit committee member fails to attend regular meetings of the credit committee for 3 consecutive months, or otherwise fails to perform any duties devolving upon him/her as a credit committee member, his/her office may be declared vacant by the board and the vacancy filled as herein provided.

"When any executive officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of his/her office, the board may, by resolution, designate another member of this credit union to act temporarily in his/her place. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee when necessary in order to obtain a quorum."

Any of the above three amendments may be adopted with additional wording prohibiting reappointment of officials removed for such cause until the next annual meeting (add to first sentence, "... except that a director removed for such cause may not be reappointed until the next annual meeting"). The use of "shall" requires removal, whereas "may" gives the board some latitude in enforcement of the bylaw. The board of directors may choose either wording when adopting any of the above alternatives.

### **Article VIII, Section 3, of the Bylaws**

*To permit the board of directors to authorize the treasurer, assistant treasurer, manager, or assistant manager to sign single-signature notes for borrowing by the federal credit union.*

#### Standard Wording:

"The president shall preside at all meetings of the members and at all meetings of the board, unless disqualified through suspension by the supervisory committee. He/she shall countersign all notes of this credit union and all checks, drafts, and other orders for disbursement of its funds unless the board, by resolution, has eliminated the requirement of countersigning. The president shall also perform such other duties as customarily appertain to the office of president or as he/she may be directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws."

**Article VIII, Section 5(d), of the Bylaws**

*To extend the time period for completion of financial statements for submittal to the board of directors and posting in the credit union office.*

Preparation of financial statements within 7 days after the close of each month is not realistic for some federal credit unions. Operation of branch offices, data processing delays, mail problems, etc., can make this time span unrealistic for completion of month-end work. The number of days may be increased to any number up to a maximum of 20.

Standard Wording:

"Within \_\_\_\_\_ days after the close of each month, prepare and submit to the board financial statements showing the condition of this credit union as of the end of the month. He/she shall promptly post copies of such statements in a conspicuous place in the office of this credit union where they will remain until replaced by the financial statements for the next succeeding month."

**Article VIII, Section 5, of the Bylaws**

*To permit the board of directors to delegate to a personnel committee the authority to set the amount of compensation.*

The personnel committee must be composed of directors. A specific number (minimum of 7 and maximum of 20) needs to be inserted in item (d).

Standard Wording:

"The treasurer shall be the manager of this credit union under the control and direction of the board unless the board has employed a separate manager. Subject to such limitations, controls and delegations as may be imposed the board, he/she shall:

(a) Have custody of all funds, securities, valuable papers and other assets of this credit union

(b) Sign all notes of this credit union, and all checks, drafts and other orders for disbursement of its funds

(c) Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with forms and procedures prescribed in the Accounting Manual for Federal Credit Unions or otherwise approved by the Administration

## OCTOBER 1991

(d) Within \_\_\_\_\_ days after the close of each month, prepare and submit the board financial statements showing the condition of this credit union as of the end of the month. He/she shall promptly post a copy of such statement in a conspicuous place in the office of this credit union where they will remain until replaced by the financial statements for the next succeeding month

(e) Prepare and forward to the Administration such financial and other reports as the Administration may require

(f) If so authorized by the board and within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove such employees

(g) Perform such other duties as customarily appertain to the office of treasurer or as he/she may be directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

"The treasurer may be compensated for his/her services to such extent as may be determined by the board or its designated personnel committee, composed of directors.

"The board may employ one or more assistant treasurers, none of whom may also hold office as president or vice president, and may authorize them, under the direction of the treasurer, to perform any of the duties devolving on the treasurer, including the signing of checks. When designated by the board, any assistant treasurer may also act as treasurer during the temporary absence of the treasurer or in the event of his/her temporary inability to act."

*To permit a treasurer to serve as manager under a contract.*

This amendment removes conflicting language to clearly state that the treasurer may be employed as the manager or be compensated when the board has employed a separate manager. A specific number (minimum of 7 and maximum of 20) needs to be inserted in item (d).

### Standard Wording:

"The board may employ the treasurer as manager of this credit union or may compensate the treasurer for his/her services to such extent as may be determined by the board when the board has employed a separate manager. The treasurer shall be under the direction and control of the board. Subject to such limitations, controls and delegations as may be imposed by the board he/she shall:

## OCTOBER 1991

(a) Have custody of all funds, securities, valuable papers and other assets of this credit union

(b) Sign all notes of this credit union, and all checks, drafts, and other orders for disbursement of its funds

(c) Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with forms and procedures prescribed in the Accounting Manual for Federal Credit Unions or otherwise approved by the Administration

(d) Within \_\_\_\_\_ days after the close of each month, prepare and submit to the board financial statements showing the condition of this credit union as of the end of the month. He/she shall promptly post a copy of such statement in a conspicuous place in the office of this credit union where it will remain until replaced by the financial statements for the next succeeding month

(e) Prepare and forward to the Administration such financial and other reports as the Administration may require

(f) If so authorized by the board and within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove such employees

(g) Perform such other duties as customarily appertain to the office of treasurer or as he/she may be directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

"The board may employ one or more assistant treasurers, none of whom may also hold office as president or vice president, and may authorize them, under the direction of the treasurer, to perform any of the duties devolving on the treasurer, including the signing of checks. When designated by the board, any assistant treasurer may also act as treasurer during the temporary absence of the treasurer or in the event of his/her temporary inability to act."

With this amendment there must also be a companion amendment of Article VIII, Section 6, to permit the manager to serve on the board.

**Article VIII, Section 6, of the Bylaws**

*To permit the manager to serve on the board of directors.*

This amendment removes the prohibition of a manager serving on the board of directors. Article XIX, Section 4 of the bylaws precludes any possibility of conflict of interest that might result from permitting the manager to serve on the board. The amendment is worded so that the manager is under the direction and control of the board rather than the treasurer. In effect, the credit union would have two financial officers under the control of the board.

Standard Wording:

"The board may employ a manager who shall be under the direction and control of the board or of the treasurer as determined by the board, except that a manager who is a member of the board shall be under the direction and control of the board. The manager, who is a member of the board, may not be the president or vice president. The manager may be assigned any or all of the responsibilities of the treasurer described in Section 5 of this article.

"The board may employ one or more assistant managers, none of whom may also hold office as president or vice president. The board may authorize assistant managers under the direction of the manager, to perform any of the duties devolving on the manager, including the signing of checks. When designated by the board, any assistant manager may also act as manager during the temporary absence of the manager or in the event of his/her temporary inability to act."

**Article VIII, Section 7, of the Bylaws**

*To provide that no director or committee member or member of the immediate family of a director or committee member may be a paid employee of the credit union.*

This amendment is permitted under principles of sound internal control.

Standard Wording:

"The board shall employ, fix the compensation, and prescribe the duties of such employees as may in the discretion of the board be necessary, and have the power to remove such employees, unless it has delegated these powers to the treasurer or manager; except that neither the board, the treasurer, nor the manager shall have the power or the duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee, or necessary clerical and auditing assistance employed or utilized by the

## OCTOBER 1991

supervisory committee: provided, however, that no director or committee member or member of the immediate family of a director or committee member may be a paid employee of this credit union."

*To limit the number of paid employees that may serve on the board of directors.*

This amendment is a variation of the above situation. The number limit is within the discretion of the board of directors.

### Standard Wording:

"The board shall employ, fix the compensation, and prescribe the duties of such employees as may in the discretion of the board be necessary, and have the power to remove such employees, unless it has delegated these powers to the treasurer or manager; except that neither the board, the treasurer, nor the manager shall have the power or the duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee, or necessary clerical and auditing assistance employed or utilized by the supervisory committee: provided, however, that no more than \_\_\_\_\_ directors may be paid employees of this credit union."

*To permit the board of directors to delegate to a personnel committee the power to employ, remove, prescribe the duties of, and set compensation for employees.*

The personnel committee must be composed of directors.

### Standard Wording:

"The board shall employ, fix the compensation, and prescribe the duties of such employees as may in the discretion of the board be necessary, and have the power to remove such employees, unless it has delegated these powers to the treasurer, manager, or a personnel committee composed of directors; except that neither the board, the treasurer, the personnel committee, nor the manager shall have the power or the duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee, or necessary clerical and auditing assistance employed or utilized by the supervisory committee."

*To preclude employees (managers) from being removed and replaced by board members for reasons not related to nonperformance or poor performance.*

## OCTOBER 1991

This amendment diminishes the possibility of "insider" dealings to take advantage of a position of authority. For example, it may prevent abuses such as the board of directors discharging the manager to create a vacancy for a credit union director to be hired.

### Standard Wording:

"The board shall employ, fix the compensation, and prescribe the duties of such employees as may in the discretion of the board be necessary, and have the power to remove such employees, unless it has delegated these powers to the treasurer or manager; except that neither the board, the treasurer, nor the manager shall have the power or the duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee, or necessary clerical and auditing assistance employed or utilized by the supervisory committee: provided, however, that no director or committee member may be a paid employee of this credit union for a minimum of 2 years from the date the official terminates his/her position as a director or committee member unless the employee position to be filled exists as the result of a death or disability."

*To remove an employed credit committee member from the 2-year restriction.*

This amendment variation is permitted since a credit committee member who is not also a director would not participate in the hiring and firing of credit union employees.

### Standard Wording:

"The board shall employ, fix the compensation, and prescribe the duties of such employees as may in the discretion of the board be necessary, and have the power to remove such employees, unless it has delegated these powers to the treasurer or manager; except that neither the board, the treasurer, nor the manager shall have the power or the duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee, or necessary clerical and auditing assistance employed or utilized by the supervisory committee: provided, however, that no director may be a paid employee of this credit union for a minimum of 2 years from the date the official terminates his/her position as a director unless the employee position to be filled exists as the result of a death or disability."

*To preclude employees from being removed and replaced by board members for reasons not related to nonperformance or poor performance under any circumstances.*

## OCTOBER 1991

Either of the above standard wordings may be adopted without the exception wording. (Delete "unless the employee position to be filled exists as the result of a death or disability.")

### **Article XII, Section 1, of the Bylaws**

*To permit loans to other than natural persons in excess of their shareholdings in the credit union.*

Loans to individuals shall be made only to members, and shall be made for provident or productive purposes in accordance with applicable law and regulations. Loans to a member other than a natural person shall not be in excess of its shareholdings in this credit union, unless the loan is made jointly to one or more natural person members and a business organization in which they have majority interest, or if the nonnatural person is an association, the loan is made jointly to a majority of the members of the association and to the association in its own right.

### **Article XII, Section 8, of the Bylaws**

*To provide for assessment of late charges which are consistent with those specified in FNMA/FHLMC Uniform Instruments.*

This amendment must be adopted by a federal credit union that originates long-term real estate loans. Part 701.21(b)(7) of NCUA Rules and Regulations requires that federal credit unions originating long-term real estate loans use the current revision of the FNMA/FHLMC Uniform Instruments for the jurisdiction in which the property is located. The FNMA/FHLMC notes provide for the assessment of late charges based upon the amount of the monthly principal and interest installment. Therefore, the instruments that NCUA requires federal credit unions to use by regulation are not in agreement with Article XII, Section 8, of the standard bylaws. FNMA and FHLMC do not object if a federal credit union does not enforce this provision of the note, but requires that such late charges be provided for. The purpose is to improve marketability in the event it is desirable to seek another lender to service the loan.

#### Standard Wording:

"Subject to the limitations of applicable law and regulations, any member whose loan is delinquent 15 days or more may be required to pay a late charge not to exceed 5 percent of the principal and interest payment which is late. Within these limitations, the rate of late charges assessed on loans (including line of credit balances) may vary according to written classifications established by the board of directors consistent with cooperative principles and existing laws and regulations."

## OCTOBER 1991

Of course, this amendment may also be adopted by a federal credit union even if it does not presently offer long-term real estate loans.

*To permit Agent members of the Central Liquidity Facility (CLF) to assess late charges on CLF qualified liquidity loans consistent with the late charges imposed by CLF on loans to Agents.*

This amendment is applicable only to Agent members of CLF. The terms of the Central Liquidity Facility's repayment, security and credit reporting agreement permit the Central Liquidity Facility to assess late payment charges against its Agent members on principal and interest payments that are not paid on or before the specified payment date. These late payment charges imposed by CLF are in excess of those that a federal central is permitted to impose under the present Bylaw provision, specifically Article XII and authorized amendments thereto. Thus, under current Bylaws, when a credit union makes a late payment to its Agent central on a CLF loan and causes the Agent central to make a corresponding late payment to CLF, the late payment charge imposed on the central by CLF cannot be passed through by the central to the member whose late payment was the cause for imposition of the charge. This amendment will permit federal corporate central credit unions (Agents) to assess late payment charges on CLF qualified liquidity loans which are consistent with the charges assessed by CLF on loans to the Agent.

### Standard Wording:

"Subject to the limitations of applicable law and regulations, a member which fails to pay any principal and/or interest amounts due on a CLF qualified liquidity loan on or before the date such amount is due may be required to pay a late payment charge not to exceed the amount of the late payment charge which can be imposed on this Agent central credit union by the Central Liquidity Facility under the terms of the Facility's repayment agreement with this credit union."

### **Article XV, Section 1, of the Bylaws**

*To provide that receipts without limitation as to amount, may be held as long as 1 week before they are deposited in the bank.*

### Standard Wording:

"All funds of this credit union, except for petty cash and cash change funds authorized by Section 3 of this article, shall be deposited in such qualified depository or depositories, from among those authorized by applicable law and regulations, as the board may from time to time by

## OCTOBER 1991

resolution designate; and shall be so deposited not later than 1 week after their receipt."

*To adjust the number of banking days for depositing funds for a lesser period than 1 week and/or to adjust the aggregate amount that may be held as long as 1 week before they are deposited.*

The number of banking days and the aggregate dollar amount that may be held up to 1 week are within the discretion of the board of directors.

### Standard Wording:

"All funds of this credit union, except for petty cash and cash change funds authorized by Section 3 of this article, shall be deposited in such qualified depository or depositories, from among those authorized by applicable law and regulations, as the board may from time to time by resolution designate; and shall be so deposited not later than the banking day after their receipt: provided, however, that receipts in the aggregate of \$\_\_\_\_\_ or less may be held as long as 1 week before they are deposited."

*To provide that for funds received through collectors the time limit for depositing the funds will extend from the time the money is received in the credit union office.*

The amendment may be varied to increase or decrease the amount of receipts that may be held by collectors for up to 1 week. The board of directors should determine that there is good reason for increasing the amount of receipts that may be held by collectors up to 1 week.

### Standard Wording:

"All funds of this credit union, except for petty cash and cash change funds authorized by Section 3 of this article, shall be deposited in such qualified depository or depositories, from among those authorized by applicable law and regulations, as the board may from time to time by resolution designate; and shall be so deposited not later than the second banking day after their receipt in the office of the credit union: provided, however, that receipts in the aggregate of \$300 or less may be held as long as 1 week before they are deposited. Funds received by field collectors must be turned in to the credit union office not later than the second banking day after their receipt: provided, however, that receipts in the aggregate of \$300 or less may be held as long as 1 week after their receipt before they are turned in to the credit union office."

## OCTOBER 1991

*To omit, when conditions warrant, any limit on the amount of receipts that may be held by collectors to 1 week.*

### Standard Wording:

"All funds of this credit union, except for petty cash and cash change funds authorized by Section 3 of this article, shall be deposited in such qualified depository or depositories, from among those authorized by applicable law and regulations, as the board may from time to time by resolution designate; and shall be so deposited not later than the second banking day after their receipt in the office of the credit union: provided, however, that receipts in the aggregate of \$300 or less may be held as long as 1 week before they are deposited. Funds received by field collectors must be turned in to the credit union office not later than 1 week after their receipt."

### **Article XV, Section 3, of the Bylaws**

*To increase the amount of petty cash disbursements to \$50.*

The dollar amount may be set by the Board of Directors up to a maximum of \$50.

### Standard Wording:

"A cash fund may be authorized by the board by resolution for the purpose of making change, and for such other purposes as prescribed in the Accounting Manual for Federal Credit Unions.

"The board may authorize by resolution the establishment of a petty cash fund for postage, and for defraying other expense items in amounts of less than \$\_\_\_\_\_."

### **Article XVIII, Section 2(a), of the Bylaws**

*To provide for inclusion of any relative, by blood or marriage, or foster and adopted children, living under the same roof and in the same household, in the definition of "members of their immediate families."*

### Standard Wording:

"Members of their immediate families includes any relative by blood or marriage, or foster and adopted children, living under the same roof and in the same household."

## OCTOBER 1991

*To provide for inclusion of family members of an employee, association member, or resident (who is a member of the federal credit union) to join the credit union while living under the same roof is the same household.*

This standard bylaw amendment for family membership ties eligibility to only the first generation living under the same roof in the same household with a member who is or was a part of the basic common bond group. The difference between this amendment and prior family membership wording is the addition of the "or was" clause. Over the years an individual joined a federal credit union but did not enroll his/her eligible family members. After leaving the firm or association the member continued his/her membership and, at that time, wanted his/her family members to join. Under the existing wording the family members were not eligible since the member had already left the field of membership. Under this amendment family members may join as long as the employee, association member, or resident retains his/her membership. You will note this amendment does not tie common bond solely to membership in the credit union since it does not extend to derivative members, but only to persons who are or were themselves in the basic common bond group.

Several federal credit unions have adopted a bylaw amendment to include second generation family members (grandchildren, sons-in-law, daughters-in-law). The grandchildren, sons-in-law, daughters-in-law included in this amendment do not live under the same roof in the same household with a member who is or was a part of the basic common bond group. Those federal credit unions whose bylaws presently provide for this wording may continue to operate with their existing bylaw definition. A federal credit union may not, however, retain this wording and also adopt this new amendment definition. Adoption of this standard amendment automatically cancels the grandchildren, sons-in-law, daughters-in-law amendment. Also, the bylaw amendment to include second generation family members is no longer available as a standard amendment.

### Standard Wording (OCCUPATIONAL):

*"Members of their immediate families includes any relative by blood or marriage, or foster and adopted children, living under the same roof and in the same household with a credit union member who is or was an employee of the employer(s) specified in the field of membership of this credit union."*

### Standard Wording (ASSOCIATIONAL):

*"Members of their immediate families includes any relative by blood or marriage, or foster and adopted children, living under the same roof and in the same household with a credit union member who is or was a member of the association(s) specified in the field of membership of this credit union."*

OCTOBER 1991

Standard Working (COMMUNITY):

*"Members of their immediate families includes any relative by blood or marriage, or foster and adopted children, living under the same roof and in the same household with a credit union member who is or was a resident or is or was employed in the area specified in the field of membership of this credit union."*

When "members of their immediate families" is included in Section 5 of the charter, children of divorcees and students above the secondary level are considered eligible for credit union service until the child enters permanent employment away from his or her parent's household or establishes a separate household. This interpretation applies to any of the "members of their immediate families" definitions adopted by a federal credit union.

**Article XVIII, Section 2(a) of the Bylaws**

*To define the phrase "members of their immediate families" as used in Section 5 of the Federal Credit Union's Organization Certificate (Charter).*

Standard Wording:

Section 2. "If included in the definition of the field of membership in the organization certificate (charter) of this credit union, the terms or expressions:

(a) "Members of their immediate families includes:

\_\_\_\_\_  
\_\_\_\_\_."

If your credit union's field of membership includes the phrase "members of their immediate families", your board of directors now must either define who is eligible for membership under this clause, continue to operate under the definition contained in Article XVIII, Section 2(a) of the standard bylaws, or use one of the standard amendment definitions contained in previous pages of this Manual.

**Article XVIII, Section 2 shall be amended by adding Section 2(c)**

*Definition of "persons retired as pensioners or annuitants" when included in the field of membership definition.*

## OCTOBER 1991

### Standard Wording:

(c) "Persons retired as pensioners or annuitants means persons retired as pensioners or annuitants from the above employer(s) and who reside within the operational area of this credit union."

The approved standard amendment defines "persons retired as pensioners or annuitants", an optional definition that was inadvertently omitted when the Federal Credit Union Standard Bylaw Amendments and Guidelines were published in May 1987.

The general interpretation of the current standard charter wording for "pensioners and annuitants" from the above employment refers only to those persons who have retired from the listed work locations named in Section 5 of the Charter. This bylaw amendment would allow membership for persons retired from the above employer(s), regardless of the location at which the person worked at the time of retirement. It does, however, place a restriction on where the person lives at the time of membership application.

For example, assume "ANY Federal Credit Union" serves the employees of XYZ Corporation who live in, or work out of Small Town, USA. XYZ Corporation is a nationwide company with various credit unions serving its employees across the country.

If the Field of Membership, as listed in the Charter, includes "persons retired as pensioners or annuitants", current standard interpretations would limit this to persons retiring from XYZ Corporation in Small Town, USA. Adoption of this standard bylaw amendment would expand the potential membership to persons retiring from XYZ Corporation, regardless of the location at which the person worked before retirement, as long as their residence is within the local territory described in the credit union's charter at the time of membership application.

There are two key elements in the interpretation of this standard bylaw amendment. The federal credit union must serve active employees of the company, government group, or military personnel and the retirees must reside in the same geographical area described in the territory of operation. For example, if there are specific exclusions of certain active employees, these same exclusions would apply to retirees as well.

The intent of this standard bylaw amendment for retirees is to allow membership for retirees, from a single company or government agency, who now live in the operating area of the federal credit union. Thus, this standard amendment would not be applicable to every federal credit union. For example, persons retired from a municipality, hospital, or school in the State of New York could not join a credit union in Florida serving city, hospital, or school employees.

OCTOBER 1991

**Article XIX, Section 7, of the Bylaws**

*To permit use of a locator service twice during a 12-month period.*

Standard Wording:

"Each member shall keep the credit union informed about his/her current address. In the event a member fails to do this, a charge may be made to the member's share account for the actual cost of necessary locator service incurred in determining such address: provided, however, that such charge shall be made only for amounts paid to a person or concern normally engaged in providing such service, and shall be made against the account or accounts of any one member not more than twice in any 12- month period. The aggregate of such charges each 12- month period shall not exceed \$5."

**Article XVIII, Section 2(a) of the Bylaws**

*To define the phrase "members of their immediate families" as used in Section 5 of the Federal Credit Union's Organization Certificate (Charter).*

Standard Wording:

Section 2. "If included in the definition of the field of membership in the organization certificate (charter) of this credit union, the terms or expressions:

(a) "Members of their immediate families includes:

\_\_\_\_\_.”

If your credit union's field of membership includes the phrase "members of their immediate families", your board of directors now must either define who is eligible for membership under this clause, continue to operate under the definition contained in Article XVIII, Section 2(a) of the standard bylaws, or use one of the standard amendment definitions contained in previous pages of this Manual.

**Article XVIII, Section 2 shall be amended by adding Section 2(c)**

*Definition of "persons retired as pensioners or annuitants" when included in the field of membership definition.*

## OCTOBER 1991

### Standard Wording:

(c) "Persons retired as pensioners or annuitants means persons retired as pensioners or annuitants from the above employer(s) and who reside within the operational area of this credit union."

The approved standard amendment defines "persons retired as pensioners or annuitants", an optional definition that was inadvertently omitted when the Federal Credit Union Standard Bylaw Amendments and Guidelines were published in May 1987.

The general interpretation of the current standard charter wording for "pensioners and annuitants" from the above employment refers only to those persons who have retired from the listed work locations named in Section 5 of the Charter. This bylaw amendment would allow membership for persons retired from the above employer(s), regardless of the location at which the person worked at the time of retirement. It does, however, place a restriction on where the person lives at the time of membership application.

For example, assume "ANY Federal Credit Union" serves the employees of XYZ Corporation who live in, or work out of Small Town, USA. XYZ Corporation is a nationwide company with various credit unions serving its employees across the country.

If the Field of Membership, as listed in the Charter, includes "persons retired as pensioners or annuitants", current standard interpretations would limit this to persons retiring from XYZ Corporation in Small Town, USA. Adoption of this standard bylaw amendment would expand the potential membership to persons retiring from XYZ Corporation, regardless of the location at which the person worked before retirement, as long as their residence is within the local territory described in the credit union's charter at the time of membership application.

There are two key elements in the interpretation of this standard bylaw amendment. The federal credit union must serve active employees of the company, government group, or military personnel and the retirees must reside in the same geographical area described in the territory of operation. For example, if there are specific exclusions of certain active employees, these same exclusions would apply to retirees as well.

The intent of this standard bylaw amendment for retirees is to allow membership for retirees, from a single company or government agency, who now live in the operating area of the federal credit union. Thus, this standard amendment would not be applicable to every federal credit union. For example, persons retired from a municipality, hospital, or school in the State of New York could not join a credit union in Florida serving city, hospital, or school employees.

**Article XIX, Section 7, of the Bylaws**

*To permit use of a locator service twice during a 12-month period.*

Standard Wording:

"Each member shall keep the credit union informed about his/her current address. In the event a member fails to do this, a charge may be made to the member's share account for the actual cost of necessary locator service incurred in determining such address: provided, however, that such charge shall be made only for amounts paid to a person or concern normally engaged in providing such service, and shall be made against the account or accounts of any one member not more than twice in any 12- month period. The aggregate of such charges each 12-month period shall not exceed \$5."

**Article XIX, Section 8, of the Bylaws**

*To provide for indemnification of current and former officials and employees for expenses reasonably incurred in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties.*

Standard Wording:

Section 8(a) "The credit union may elect to indemnify to the extent authorized by (check one)

- law of the state of \_\_\_\_\_:
- Model Business Corporation Act:

the following individuals for any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties (check as appropriate).

- current officials
- former officials
- current employees
- former employees

## OCTOBER 1991

(b) The credit union may purchase and maintain insurance on behalf of the individuals indicated in (a) above against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by the applicable state law or the Model Business Corporation Act.

(c) The term "official" in this bylaw means a person who is a member of the board of directors, credit committee, supervisory committee, other volunteer committee, (including elected or appointed loan officers or membership officers), established by the board of directors."

### **Article XIX, Section 3 of the Bylaws**

*To prevent federal credit union members from voting to remove a credit union's employees.*

#### Standard Wording:

"Notwithstanding any other provision in these bylaws, any director, committee member, or officer of this credit union may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for that purpose, but only after an opportunity has been given him to be heard."

The standard bylaws grant a federal credit union's membership the authority to remove directors, committee members, officers, or employees. This standard amendment simply deletes the words "or employees" and thus limits members' authority to the removal of directors, committee members and officers at special meetings. This amendment allows federal credit union management to retain flexibility in its employment decisions. In addition, corporate law does not generally allow for shareholders to remove employees.

### ANNUAL AND SPECIAL MEMBERSHIP MEETINGS

#### Annual Meetings

The annual meeting represents the primary vehicle for the member to become involved in the affairs of the credit union. Because of the growth in credit unions and the greater dispersion of membership, standard bylaw amendments have been developed which enable greater participation of the members in the election process. Also, the increased complexity of credit union operations and the large size of the membership can present logistical and procedural problems for a board of directors in planning and holding the annual meeting. The board of directors

## OCTOBER 1991

should recognize that while standard amendments are helpful in providing greater participation of the members in the election process, in all elections there is no substitute for careful planning to ensure an orderly, efficient annual meeting. Robert's Rules of Order should be used as a guide in setting procedures for the annual meeting or to resolve any issues that arise during the meeting which are not covered by the bylaws. If procedural problems, of whatever origin, are anticipated, an independent parliamentarian should be obtained to assist at the meeting.

The following listing is presented in question and answer format. These questions, of general applicability, have been raised frequently by credit unions.

a. Question: How does a credit union handle the election process where minors are concerned?

Answer: Article VI, Section 7, of the bylaws is controlling in respect to the minimum age for voting or holding office. Whatever minimum age is established for eligibility to vote must be consistently applied throughout the election and voting process. For example, all persons signing a nominating petition must be eligible voters and each must personally affix his or her signature.

b. Question: May plural nominees be listed on a single petition?

Answer: Yes, unless the board of directors decides, by adoption of an appropriate resolution, not to allow the use of such a petition. The written notice to members must inform them of such a resolution. The fact that a person was nominated in association with another in no way induces his/her election since the voter is free to choose among nominees by secret ballot.

c. Question: Can the board of directors or the membership at the annual meeting adopt a resolution requiring the members to cast a vote for each vacancy?

Answer: No. There is inherent in the right to vote an opportunity for the member to freely cast his/her vote for the candidate or candidates of his/her choice. If a member leaves one or more choices blank on a ballot containing more than one vacancy to be filled, the blank spaces in no way affect the validity of the spaces he/she has filled, and for each of these votes he/she should be given credit for one legal vote.

d. Question: Can the board of directors establish a members of record cutoff date for eligibility to vote?

Answer: Yes, if the credit union has adopted one of the standard amendments that utilizes a mail or absentee ballot. The board of directors should establish the date by adoption of an appropriate resolution and the written notice to the members should inform them of such a resolution. Usually this date would be just prior to or coincide with the mailing date for ballots.

## OCTOBER 1991

It is the responsibility of the board of directors to establish the guidelines necessary to verify each voting member's credentials.

e. Question: Are write-in votes acceptable?

Answer: Yes. In all cases, where written ballots are used for elections, adequate space must be left on each ballot under the names of the candidates to permit the voter to write in a name not contained on the ballot.

f. Question: What is the procedure for announcement of the results of the election at the annual meeting?

Answer: The tellers of election are required to communicate the results of the voting to the president for announcement to the members at the annual meeting. The tellers must certify the count to the secretary for inclusion in the official minutes. The reporting teller should never declare the result of a ballot vote. The president should read the entire tellers' report to the membership before he/she declares the winners. Under no circumstances should this be omitted in an election out of a mistaken deference to the feelings of unsuccessful candidates. After announcing the vote, it is recommended that the ballots be retained until the next annual meeting, at which time they may be destroyed upon approval of the members. Robert's Rules of Order includes a sample Tellers' Report.

g. Question: What should a federal credit union board of directors do if there is uncertainty about whether or not a particular bylaw amendment has been adopted by the credit union?

Answer: The Regional Office of NCUA should have a record of standard or nonstandard amendments adopted by your credit union prior to the date of this procedure. You should contact the appropriate office for assistance any time you have questions concerning the bylaws. In some cases, a federal credit union may be operating under a bylaw amendment that has been canceled. If the bylaw amendment is in conflict with the Federal Credit Union Act, the board of directors should adopt the most current approved amendment applicable to that section of the bylaws. The directors may be subject to actions brought by the members against them for operating under a bylaw which is not in accord with the Act. Article XIX, Section 6, of the bylaws provides that "the charter and bylaws of this credit union shall be made available for inspection by any member."

STANDARD ELECTION AMENDMENTS

**Article V, Section 4, of the Bylaws**

*To change the order of business at annual meetings.*

This amendment permits the credit union to conduct the elections immediately after reports and prior to unfinished and new business. This change may prevent a lengthy recess while the tellers count the ballots since remaining items of business can be completed while the count is in process.

Standard Wording:

"The order of business at annual meetings of members shall be:

- (a) Ascertain that a quorum is present
- (b) Reading and approval (or correction) of the minutes of the last meeting
- (c) Report of directors
- (d) Report of the treasurer or the manager
- (e) Report of the credit committee
- (f) Report of the supervisory committee
- (g) Elections
- (h) Unfinished business
- (i) New business
- (j) Adjournment

The members assembled at any annual meeting may suspend the above order of business upon a two-thirds vote of the members present at the meeting."

**Article VI, Section 2, of the Bylaws**

*To permit the distribution of ballots prior to the opening of the annual meeting.*

The purpose of this amendment is to allow distribution of the ballots as the members enter the meeting in order to expedite matters and to improve control through checkoff procedures to assure that only members receive ballots.

Standard Wording:

"Ballots shall be distributed to members as they enter the meeting. After the nominations of the nominating committee have been placed before the members, the president shall call for nominations from the floor. When nominations are closed, tellers shall be appointed by the president, the

## OCTOBER 1991

vote shall be taken and tallied by the tellers, and the results announced. All elections shall be determined by plurality vote, and shall be by ballot except where there is only one nominee for the office."

### **Article VI, Section 7, of the Bylaws**

*To allow the directors to establish 18 as the minimum age for holding office.*

#### Standard Wording:

"The board may establish by resolution a minimum age, not greater than 16 years of age, as a qualification for eligibility to vote at meetings of the members and a minimum age, not greater than 18 years of age, as a qualification to hold elective or appointive office, or both."

NCUA has authorized several types of voting procedures which include a nomination by petition procedure. In all cases, a written notice to the members is required to inform them of all nomination and voting options which will be used by the credit union. The guidelines for the election amendments that follow should be read carefully to assure that, where applicable, all companion amendments are adopted as a unit. There are also several options to consider for types of voting. You should contact the appropriate regional office for assistance, if you have questions.

### **Article V, Section 2, of the Bylaws**

*To require that written notice of the annual meeting be handed or mailed to each member of record.*

This amendment is required as a companion amendment with any of the standard amendments that follow. Of course, this amendment may also be adopted by a credit union that retains the standard bylaw provisions for elections. The number of days for giving notice may be shortened to no less than 7 days if the standard bylaws are retained (nominations from the floor and all voting at the annual meeting).

#### Standard Wording:

"At least 75 days before the date of any annual meeting or 7 days before the date of any special meeting of the members, the secretary shall cause written notice thereof to be handed to each member in person, or mailed to each member at his/her address as the same appears on the records of this credit union. The written notice for the annual meeting will advise the members of the various voting procedures

## OCTOBER 1991

that are available, the deadlines required by each method of voting, and the date and time of the annual meeting. Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote thereat who are not present at such meeting shall in writing waive notice thereof, before, during, or after the meeting.

"Notice of any special meeting shall state the purpose for which it is to be held, and no business other than that related to this purpose shall be transacted at the meeting."

### **Article VI, Section 1 of the Bylaws**

*To provide for nomination by petition of candidates for election at the annual meeting.*

The purpose of this amendment is to permit greater participation by the members in making nominations, to facilitate the use of printed ballots, and to expedite elections, particularly at annual meetings where there is a large attendance. This amendment may be especially desirable where members work on various shifts and cannot attend the annual meeting at any given hour or in those cases where a federal credit union serves several locations and desires to use ballot box, voting machine, absentee or mail ballot voting.

The wording "... one percent of the members with a minimum of 20 and a maximum of 500" may be replaced by a specific number of required signatures. Usually, this change will make it easier for a person desiring to run for office to become nominated. It is suggested that the minimum number of petition signatures should not be less than 20, so that only those persons sincerely interested in serving as officials would file petitions. In no event can the specific number of required petition signatures be greater than one percent of the members. Federal credit unions with more than 50,000 members must have a specific number no greater than 500.

With this amendment there must also be the companion amendment to Article V, Section 2, to require that written notice of the annual meeting be handed or mailed to each member of record. The number of days prior to the annual meeting for giving notice must agree with the provisions of Article VI, Section 1. With these two amendments, there must also be the companion election amendments to Article VI, Section 2. If option 2 is selected, there must also be the addition of Section 8 for ballot box, voting machine, absentee or mail ballot voting.

## OCTOBER 1991

### Standard Wording:

"At least 120 days prior to each annual meeting the president shall appoint a nominating committee of not fewer than three members. It shall be the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The nominating committee shall file its nominations with the secretary of the credit union at least 90 days prior to the annual meeting, and the secretary shall notify in writing all members eligible to vote at least 75 days prior to the annual meeting that nominations for vacancies may also be made by petition signed by one percent of the members with a minimum of 20 and a maximum of 500.

"The written notice shall indicate that the election will not be conducted by ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled. A brief statement of qualifications and biographical data in such form as shall be approved by the board of directors will be included for each nominee submitted by the nominating committee with the written notice to all eligible members. Each nominee by petition shall submit a similar statement of qualifications and biographical data with the petition. The written notice shall state the closing date for receiving nominations by petition. The period for receiving nominations by petition shall, in all cases, extend at least 30 days from the date of the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective, such nominations shall be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Such nominations shall be filed with the secretary of the credit union at least 40 days prior to the annual meeting and the secretary shall cause such nominations along with those of the nominating committee to be posted in a conspicuous place in each credit union office at least 35 days prior to the annual meeting."

### **Article VI, Section 2, of the Bylaws**

*To provide that no nominations shall be made from the floor when the credit union has not adopted amendments to provide for voting by ballot box, voting machine, or mail ballot voting and there is one nominee for each position to be filled. (Option 1)*

## OCTOBER 1991

### Standard Wording:

"All elections shall be determined by plurality vote and shall be by ballot except where there is only one nominee for each position to be filled. Nominations shall not be made from the floor unless sufficient nominations have not been made by the nominating committee or by petition to provide for one nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled. Only those positions without a nominee shall be subject to nominations from the floor. In the event nominations from the floor, when permitted herein, result in more than one nominee for a position to be filled, and when nominations have been closed, tellers shall be appointed by the president, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. When only one member is nominated for each position to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting."

*To provide that no nominations shall be made from the floor when elections are held by ballot box, voting machine, or mail ballot  
and there is one nominee for each position to be filled. (Option 2)*

The underlined section shall be completed by inserting "ballot boxes and/or voting machines or mail ballot" as applicable depending upon which voting option your credit union desires to choose through the addition of Section 8.

### Standard Wording:

"All elections shall be determined by plurality vote and shall be by \_\_\_\_\_ except where there is only one nominee for each position to be filled. Nominations shall not be made from the floor unless sufficient nominations have not been made by the nominating committee or by petition to provide for one nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled. Only those positions without a nominee shall be subject to nominations from the floor. In the event nominations from the floor, when permitted herein, result in more than one nominee for a position to be filled, and when nominations have been closed, tellers shall be appointed by the president, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. When only one member is nominated for each position to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting."

**Article VI of the Bylaws shall be amended by adding Section 8**

*To provide for the use of ballot boxes and/or voting machines for elections.*

The purpose of such an amendment is to make possible a greater participation in elections. These amendments are particularly desirable where a substantial number of members cannot attend the annual meeting at any given hour or in those cases where a credit union serves several locations. With this amendment there must also be the companion amendments to Article V, Section 2, to require written notice of the annual meeting; Article VI, Section 1, to provide for nominations by petition; and Article VI, Section 2 (Option 2), to provide that no nominations shall be made from the floor where there is one nominee for each position to be filled. The placement of ballot boxes (locations) and time periods (the hours of the day or number of days that ballot boxes or voting machines will be available for voting) can be adjusted to meet the needs of your credit union. The only requirement on setting time periods is that no voting can take place after the date of the annual meeting. The vote must be completed, tallied, and the results announced to the membership at the annual meeting. Two options are presented.

Standard Wording:

"Except as provided in Section 2 of this article, the election shall be conducted by ballot boxes or voting machines subject to the following conditions:

(a) The tellers of election shall be appointed by the board of directors;

(b) Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 10 days prior to the annual meeting, cause ballot boxes and printed ballots, or voting machines, to be placed in conspicuous locations as determined by the board of directors with the names of the candidates posted near the boxes or voting machines. The name of each candidate shall be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board of directors;

(c) After the members have been given 24 hours to vote at conspicuous locations as determined by the board of directors, the ballot boxes or voting machines shall be opened, the vote shall be tallied by the tellers, the tallies shall be placed in the ballot boxes, and the ballot boxes shall be resealed. The tellers shall be responsible at all times for the ballot boxes or voting machines and the integrity of the vote. A record shall be kept of all persons voting and the tellers shall assure themselves that each person so voting is entitled to vote; and

## OCTOBER 1991

(d) The ballot boxes shall be taken to the annual meeting by the tellers. At the annual meeting, printed ballots shall be distributed to those in attendance who have not voted and their votes shall be deposited in the ballot boxes placed by the tellers, before the beginning of the meeting, in conspicuous locations with the names of the candidates posted near them. After such members have been given an opportunity to vote at the annual meeting, balloting shall be closed, the ballot boxes shall be opened, the vote shall be tallied by the tellers and added to the previous count, and the president shall announce the result of the vote."

or

### Standard Wording:

"Except as provided in Section 2 of this article, the election shall be conducted by ballot boxes or voting machines subject to the following conditions:

(a) The tellers of election shall be appointed by the board of directors;

(b) Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 10 days prior to the annual meeting, cause ballot boxes and printed ballots, or voting machines, to be placed in conspicuous locations as determined by the board of directors with the names of the candidates posted near the boxes or voting machines. The name of each candidate shall be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board of directors;

(c) The tellers shall be responsible at all times for the ballot boxes and the integrity of the vote. A record shall be kept of all persons voting, and the tellers shall assure themselves that each person so voting is entitled to vote; and

(d) After the members have been given 5 hours to vote at the credit union offices, the ballot boxes shall be closed and sealed. The sealed ballot boxes shall be taken to the annual meeting by the tellers. At the annual meeting, printed ballots shall be distributed to those in attendance who have not voted at an office of the credit union and their votes shall be deposited in ballot boxes placed by the tellers, before the beginning of the meeting, in conspicuous locations with the names of the candidates posted near them. After such members have been given the

## OCTOBER 1991

opportunity to vote at the annual meeting, balloting shall be closed, the ballot boxes shall be opened, the vote shall be tallied by the tellers, and the president shall announce the result of the vote."

*To provide for the use of mail ballots as the exclusive procedure for elections.*

### Standard Wording:

"Except as provided in Section 2 of this article, all elections shall be by mail ballot, subject to the following conditions:

(a) The tellers of election shall be appointed by the board of directors;

(b) Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 30 days prior to the annual meeting, cause printed ballots to be mailed to all members eligible to vote;

(c) The secretary shall cause the following materials to be mailed to each eligible voter:

(1) One ballot, clearly identified as such, on which the names of the candidates for the board of directors and the candidates for other separately identified offices or committees shall have been printed in order as determined by the draw of lots. The name of each candidate shall be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board of directors

(2) One envelope clearly marked with instructions that the completed ballot shall be placed therein and the envelope sealed

(3) One identification form to be completed so as to include the name, address, signature and credit union account number of the voter

(4) One mailing envelope in which the voter, pursuant to instructions provided, shall insert the sealed ballot envelope and the identification form, and which shall have been postage prepaid and preaddressed for return to the tellers of election

(5) When properly designed, one form can be printed that represents a combined ballot/identification form, and postage prepaid and preaddressed return envelope;

## OCTOBER 1991

(d) It shall be the duty of the tellers of election to verify, or cause to be verified, the name of the voter and his/her credit union account number as appearing on the identification form; to place the verified identification form and the sealed ballot envelope in separate places of safekeeping pending the count of the vote; in the case of a questionable or challenged identification form, to retain the identification form and sealed ballot envelope together until the verification or challenge has been resolved;

(e) Ballots mailed to the tellers of election must be received by the tellers no later than midnight 5 days prior to the date of the annual meeting;

(f) Voting shall be closed at the midnight deadline specified in subsection (e) hereof and the vote shall be tallied by the tellers of election. The result shall be verified at the annual meeting and the president shall make public the result of the vote at the annual meeting."

A sample combination ballot/identification form/return envelope is included at the end of the annual meeting section.

The adoption of any Section 8 amendment requires the adoption of the companion amendments to Article V, Section 2, and Article VI, Section 1, and Article VI, Section 2 (Option 2).

*To provide for the use of a combination of absentee voting by mail, ballot box voting, and voting at the annual meeting.*

This amendment combines several of the voting procedures and therefore includes some variation in wording to assure that necessary controls are in place to maintain the integrity of the vote. Article V, Section 2 and Article VI, Section 1, are required as companion amendments to the following 2 amendments:

### **Article VI, Section 2, of the Bylaws**

#### Standard Wording:

"All elections shall be determined by plurality vote and shall be by printed ballot except where there is only one nominee for each position to be filled. The board shall establish a cut off date for eligibility for voting to facilitate the preparation of a control listing of the membership. The board shall establish a sequence of dates by which each of the voting procedures is initiated and completed in the following order: absentee voting, ballot box voting at the credit union office, and ballot voting at the annual meeting. No nominations shall be made from the floor unless sufficient nominations have not been made by the nominating committee or by petition to provide for one

## OCTOBER 1991

nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled. Only those positions without a nominee shall be subject to nominations from the floor. When nominations have been closed, if permitted herein, tellers shall be appointed by the president, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. Ballots may be distributed to all members present at the annual meeting to vote for nominees received from the floor in accordance with the special circumstances outlined in this section.

"At least 5 days prior to the annual meeting, the tellers shall place ballot boxes and printed ballots in conspicuous locations in each credit union office with the names of the candidates posted near the boxes. The tellers shall be responsible at all times for the ballot boxes and the integrity of the vote. A record shall be kept of all persons voting, and the tellers shall assure themselves that each person so voting is entitled to vote.

"After the members have been given 24 hours to vote at the credit union offices and absentee ballots, if any, have been deposited in the ballot boxes, the ballot boxes shall be closed and sealed. The sealed ballot boxes may be taken to the annual meeting by the tellers, or may be precounted provided that the precount is performed by the tellers under the supervision of the supervisory committee unless the tellers are a duly qualified and independent firm or association of professional auditors, arbitrators, or election tellers whose appointment shall be subject to the approval of the board of directors. If such precount is performed, the supervisory committee or independent tellers shall retain custody of the precounted ballots until after the annual meeting, and shall provide to the secretary of the credit union a certified tally of all precounted votes for inclusion in the final count of votes. At the annual meeting, printed ballots shall be distributed to those in attendance who have not voted at the credit union office or by absentee ballot, and their votes shall be deposited in ballot boxes placed by the tellers, before the beginning of the meeting, in conspicuous locations with the names of the candidates posted near them. After such members have been given an opportunity to vote at the annual meeting, balloting shall be closed, the ballot boxes shall be opened, and the vote including the certified tally of any precounted votes shall be tallied by the tellers, and the president shall announce the result of the vote at the annual meeting."

**Article VI of the Bylaws shall be amended by adding Section 8**

Standard Wording:

"The board of directors shall authorize the use of absentee ballots in conjunction with the other procedures authorized in this article, subject to the following conditions:

(a) The tellers of election shall be appointed by the board of directors;

(b) Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 30 days prior to the annual meeting, cause printed ballots to be mailed to all members of the credit union who are eligible to vote and who have submitted a written request for an absentee ballot;

(c) The secretary shall cause the following materials to be mailed to each such eligible voter who has submitted a written request for an absentee ballot:

(1) One ballot, clearly identified as such, on which the names of the candidates for the board of directors shall have been printed in alphabetical order, and on which the names of candidates for other separately identified offices or committees shall have been printed in alphabetical order. The name of each candidate may be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board of directors

(2) One envelope clearly marked with instructions that the completed ballot shall be placed therein and the envelope sealed

(3) One identification form to be completed so as to include the name, address, signature and credit union account number of the voter

(4) One mailing envelope in which the voter, pursuant to instructions provided, shall insert the sealed ballot envelope and the identification form, and which shall have been postage prepaid and preaddressed for return to the tellers of election

(5) When properly designed, one form can be printed that represents a combined ballot/identification form, and postage prepaid and preaddressed return envelope;

## OCTOBER 1991

(d) It shall be the duty of the tellers of election to verify, or cause to be verified, the name of the voter and his/her credit union account number as appearing on the identification form; to retain in a safe place the verified identification form and to place the sealed ballot envelope in the ballot box in the credit union office; in the case of a questionable or challenged identification form, to retain the identification form and the sealed ballot envelope together until the verification or challenge has been resolved; and in the event that more than one voting procedure is used, to verify that no eligible voter has voted more than one time;

(e) Ballots mailed to the tellers of election pursuant to subsection (b) hereof, must be received by the tellers no later than midnight 2 days prior to the date of the annual meeting; and

(f) After the expiration of the period of time specified in subsection (e) hereof, the voting by absentee ballot shall be closed and absentee ballots deposited in the ballot boxes to be taken to the annual meeting or included in a precount in accordance with procedures specified in Article VI, Section 2."

The standard wording for item (a) of any Section 8 amendment may be changed to require the tellers of election to be representatives of an independent firm or association.

### Standard Wording:

"(a) The tellers of election shall be representatives of a duly qualified and independent firm or association of professional auditors, arbitrators, or election tellers, whose appointment shall be subject to the approval of the board of directors."

OCTOBER 1991

**SAMPLE COMBINATION BALLOT/IDENTIFICATION FORM/RETURN  
ENVELOPE**

**Instructions for Voting by Mail**

1. Review the attached slate of candidates for the Board of Directors and the Credit Committee.
2. Cast your vote by selecting your choices on the ballot below. A space is provided for write in candidates.
3. Sign the voter identification form and enter your credit union account number. The ID form will be separated from your ballot when it reaches the credit union, and before any ballots are opened.
4. Remove the ballot at the perforations and seal it as indicated. It is now a postage paid return envelope for return to the credit union before midnight March 10<sup>th</sup>.
5. Election results will be announced at the Annual Meeting on March 15<sup>th</sup>.

PERFORATE HERE AND SEAL  
(Gummed Area)

BALLOT  
BOARD OF DIRECTORS CANDIDATES  
March 15, 1981  
(Vote for no more than three (3))

- Susan Mack
- Terry Bradley
- Lawrence Lee
- Kelly O'Brian
- Louise Baroni
- Mary Barber
- Willie Carver
- Harold Garcia
- \_\_\_\_\_

**OCTOBER 1991**

**CREDIT COMMITTEE CANDIDATES**

March 15, 1981

(Vote for no more than two (2))

Howard Abbott

William Thompson

Lois Running Wolf

\_\_\_\_\_

SPECIAL MEETINGS

Because credit unions are member-owned, member controlled financial institutions, the opportunity exists for each member to become involved in the affairs of the organization. It is very important that the officials establish good communications between the member and credit union management. Members have a right to receive prompt, courteous and responsive replies to their inquiries. Credit union officials should make certain that each member knows where to turn (President, Supervisory Committee Chairman, Credit committee Chairman, etc.) with his or her specific problems and understands the democratic process inherent to a credit union operation. When members understand their roles and responsibilities in this process and are encouraged to participate in the process, they are much more likely to work within the system to resolve their problems at the operating level.

There are times, however, when a problem may develop which involves a number of members. The standard bylaws provide for the members to call special membership meetings. If a special meeting is held, the board of directors should use Robert's Rules of Order as a guide for conducting the meeting. The board may also consider using the services of an independent parliamentarian, if procedural difficulties are anticipated. Finally, the board of directors may consider the following standard amendment as an option to handle communication problems with a group of members.

**Article V, Section 3, of the Bylaws**

*To provide for a meeting of a committee of the petitioners with the board of directors, for the purpose of discussing the issues contained in a petition requesting a special meeting of the members.*

The purpose of this amendment is to make it possible for a representative committee of the petitioners to discuss the issues with the board of directors prior to the calling of a special meeting of membership. The committee of petitioners procedure provides a method whereby the concerns of a small group of members may be heard, yet at the same time, prevents the credit union from being subjected to a number of frivolous and expensive special membership meetings. Under this standard amendment, the members continue to have the right to proceed immediately with a special meeting where a significant number of persons voice a concern.

## OCTOBER 1991

### Standard Wording:

“Special meetings of the members may be called by the president or by the supervisory committee as provided in these bylaws, and may be held at any location permitted for the annual meeting. A special meeting shall be called by the president within 30 days of the receipt of a written request of 25 members or 10 percent of the members as of the date of the request, whichever number is larger: provided, however, that a request of no more than 5,000 members shall be required for such a meeting. The notice of such special meeting shall be given as provided in Section 2 of this article. A request for a special meeting of the members shall be signed by the members desiring the meeting and it shall set forth the specific purpose or purposes for which the meeting is requested. The written request for a special meeting shall be presented to the president. Also, a special meeting may be requested in writing by 25 members or 5 percent of the members as of the date of the request, whichever number is larger: provided, however, that the request of no more than 2,000 members shall be required for such a meeting. In addition to the above requirements for a written request, such a request shall name the members of a five-member committee appointed by the petitioners to act for the petitioners in a manner which will be binding on said petitioners. The president shall arrange for the board to meet with the above committee within 10 days after the receipt of the request; and thereafter the board and the committee shall meet as necessary to resolve any problems or issues raised in the petition. If agreement for settlement of any said problems or issues cannot be reached, a special meeting of the members shall be called by the president, in accordance with the provisions of these bylaws, within 45 days of the date of the last meeting between the board and the petitioners’ five-member committee.”

*To permit the board of directors to call a special meeting of the members.*

Article V, Section 3 of the bylaws specifies that the president, at the request of the required number or percent of members, may call a special meeting. Article X, Section 6, or the bylaws specifies that the supervisory committee may call a special meeting of the members. The board of directors may become involved in the matters where a referendum of the members’ opinions is desired. This amendment clearly states the board’s authority to call a special meeting of the members.

## OCTOBER 1991

### Standard Wording:

“Special meetings of the members may be called by the president or by the supervisory committee as provided in these bylaws, and may be held at any location permitted for the annual meeting. A special meeting shall be called by the president within 30 days of the receipt of a written request of 25 members or 5 percent of the members as of the date of the request, whichever number is larger: provided, however, that a request of no more than 200 members shall be required for such a meeting. A special meeting may also be called by the president upon a majority vote of the board of directors for which the board desires the members’ opinions. Notice of a special meeting shall be given as provided in Section 2 of this article.”

### **Article X, Section 5, of the Bylaws**

*To provide for a director, executive officer, or member of the credit committee to be given reasonable notice and the opportunity to be heard prior to any suspension action by the supervisory committee.*

A suspended director, executive officer, or member of the credit committee would continue to have an opportunity to be heard at the special membership meeting in accordance with Article XIX, Section 3.

### Standard Wording:

“By unanimous vote, the supervisory committee may suspend, until the next meeting of the members, any director, executive officer or member of the credit committee. Prior to such suspension the supervisory committee shall notify the official to the proposed suspension action and within 7 days after said notice give the official the opportunity to meet with the supervisory committee to be heard. In the event of any such suspension, the supervisory committee shall call a special meeting of the members to act on said suspension which meeting shall be held not fewer than 7 nor more than 14 days after suspension. The chairman of the committee shall act as the chairman of the meeting unless the members select another person to act as chairman.”

### **Article X, Section 6, of the Bylaws**

*To provide for communication between the supervisory committee and the board of directors before a special meeting of the members is called.*

## OCTOBER 1991

### Standard Wording:

“By affirmative vote of a majority of its members, the supervisory committee may call a special meeting of the members to consider any violation of the provisions of the Act, the regulations, or of the charter or bylaws of this credit union, or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized. The supervisory committee chairman shall give notice to the board of directors prior to the calling of the special meeting of the members. Upon receipt of such notice the board shall arrange to meet with the supervisory committee prior to or at the next regular board meeting to discuss the matters of concern. If agreement for settlement on any of the matters of concern cannot be reached, the supervisory committee may proceed with the calling of the special meeting of the members.”

OCTOBER 1991

**CERTIFICATION OF RESOLUTION OF BOARD OF DIRECTORS**

**ADOPTING AMENDMENT TO BYLAWS**

We, the undersigned, president and secretary of the

\_\_\_\_\_ Federal Credit

Union, Charter No. \_\_\_\_\_, \_\_\_\_\_ hereby certify:  
(city, state)

That by affirmative vote of two-thirds of the members of the

board at a duly held meeting thereof on \_\_\_\_\_, \_\_\_\_\_

the following resolution was adopted:

BE IT RESOLVED: That the following amendment/amendments of this credit union's bylaws is/are hereby adopted, as set forth below and approved in advance by the NCUA Board, to be effective immediately:

CERTIFICATE

Article \_\_\_\_\_, Section \_\_\_\_\_, of the bylaws Shall be amended to read as follows:

**OCTOBER 1991**

That notice of the above meeting was given to board members in accordance with Article XXI, Section 1, of the bylaws:

That the foregoing resolution, together with the names of directors voting for the amendment/amendments, those voting against the amendment/amendments, and those absent from the meeting have been entered in full in the minutes of the board of directors of this federal credit union.

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President

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Secretary