



National Credit Union Administration

January 20, 2000

Mr. Ben G. Levissee
1801 Crown Court
Texas City, Texas 77591

Re: Impermissible Bylaw, Your Complaint of November 30, 1999.

Dear Mr. Levissee:

We have forwarded your complaint addressed to Chairman D'Amours to our Regional V Office. In your letter, you state that your federal credit union (FCU) recently adopted a bylaw that restricts former employees from being eligible to run for election to the board of directors for five years. We agree that the bylaw is impermissible.

The Federal Credit Union Act sets forth only two conditions for election to the board of directors: a person must be a member of the FCU and, unless the NCUA Board has granted a waiver, cannot have been convicted of a crime involving dishonesty or breach of trust. 12 U.S.C. §§1761, 1785(d).

We are enclosing two, previous opinion letters that provide some additional discussion on the election of directors that you may find helpful. The letter from Hattie Ulan to Louis Ravetti, dated November 20, 1991, discusses restrictions, such as conflict of interest prohibitions, that may apply to serving as a director after the individual is elected. The letter from Richard Schulman to William Sayres, dated April 5, 1995, discusses restrictions a nominating committee may impose, such as experience or education, but notes that those who do not meet the nominating committee's criteria may still run for election.

Sincerely,

A handwritten signature in cursive script that reads 'Sheila A. Albin'.

Sheila A. Albin
Associate General Counsel

GC/CJL:bhs
SSIC 3500
99-1243
Enclosures

cc: Region V Director