

Save Columbia Credit Union Committee

Exercise Your Member Rights

SaveCCU founded to protect and preserve the rights of CCU credit union members

Because credit unions are democratic, member-owned cooperatives, members have the power to direct credit union policy.
World Council of Credit Unions (WOCCU)

August 20, 2007

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

Re: SaveCCU Comments on FCU Bylaws: Parts 701-Reincorporation of FCU Bylaws into NCUA regulations

Dear Ms. Rupp:

Save Columbia Credit Union Committee appreciates the opportunity to comment on and support proposed changes to the Federal Credit Union Bylaws. Save Columbia Credit Union Committee (SaveCCU) is a member advocacy group formed in 2003 in response to the attempt to convert our credit union to a mutual savings bank.

This group of members obtained the required number of signatures to call a special meeting. We believed our credit union's bylaws were binding and fully expected the special meeting to be announced within the timeframe established in our bylaws. We were denied that meeting and only through proceeding with legal action in the courts was a special meeting scheduled months later. The fallout from the initial response by the credit union towards its members attempting to address their legitimate concerns according to the existing bylaws, has been long lasting, divisive, and exhausting. Every attempt by members to follow the bylaws, from calling a special meeting to running for volunteer board and supervisory positions, was met with suspicion and resistance and the bylaws themselves became moving goal posts. The results of our concern for the welfare of our credit union were dire: the expulsion of SaveCCU; the expulsion of credit union members who were also members of SaveCCU, and the public removal of credit union members (also members of SaveCCU) who had been duly elected to fill volunteer board and supervisory positions.

The outcome would most certainly have been very different and less costly for all parties involved if there had been the opportunity to request regulatory intervention and then engagement in a dispute resolution process that resulted in resolving the bylaw and internal governance disputes. Unfortunately, for us, this did not happen and would not happen even if this proposed rule becomes final: this is due to the fact that our credit union changed its status from a federal charter to state charter a number of years ago. For those of us whose credit unions are state chartered, we can only hope that when the NCUA raises the bar for FCU bylaw compliance, the state regulatory bodies will follow suit. Our experience shows that there is yet room for improvement.

There are no formal member's rights groups, with or without deep pockets, to advocate for the 'safety and soundness' of credit union members at large. Charting the course of the credit union movement has fallen to those who have the resources to do so: the trade groups representing the various aspects of the credit union community. The fundamental, material credit union member rights as stated in the NCUA's proposed rule are a welcome and long overdue statement in support of credit union members at large. We support these rights and believe also, that they '*go to the very heart of the cooperative principles that serve as the corner stone of the credit union system.*' We also believe that they must remain aligned with those higher principles or else these rights will be subject individually to arguments in the future calling for their removal or amendments resulting in their diminished importance.

The real difference between credit unions and banks does not rely on their tax-exempt status alone – but on their philosophy - simply stated as – people are more important than money – and the fact that credit unions are democratic member-owned financial cooperatives.

Administering the maze of laws and regulations regarding the use and movement of money is an important part of maintaining the financial health of a credit union. However, it is just as important that someone take responsibility for safeguarding equally the rights of the human side of the institution. The financial health of a country's citizens and the health of its democracy are linked: our economic and political development are interdependent¹. This is a critical issue and one that requires more attention with each passing day.

Credit unions are faced with the challenge of finding a way to strike the balance between both sides of the credit union philosophy - prudent fiscal management and living up to their stated belief that people are more important than money. We believe that challenge can and must be met.

Sincerely,

Save CCU Committee Board (2007) <http://saveccu.com/index.htm>

Kathryn Edgecomb, President Cathryn Chudy, Vice-President

Robert Tice, Secretary Tamara Tice, Treasurer

Mary Billy Genny Kortez Lloyd Marbet

The year 2003 was the beginning of a journey by a group of ordinary people who found themselves engaged in a series of extraordinary events. The story of this long journey can be found at the SaveCCU website: <http://saveccu.com/index.htm>. The SaveCCU litigation documents can be found at: <http://doug2.com/saveccu/>

¹reference: *A Technical Guide to Increasing Citizen Participation –How Credit Unions Strengthen Democracy*
http://www.woccu.org/pubs/technical_guides.php