

Jordan, Sheron

From: _Regulatory Comments
Sent: Tuesday, August 21, 2007 9:02 AM
To: Jordan, Sheron
Subject: FW: Texas Credit Union League Comments on FCU Bylaws

Subject: Texas Credit Union League Comments on FCU Bylaws

August 20, 2007

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

VIA E-mail to: regcomments@ncua.gov

RE: Texas Credit Union League Comments on FCU Bylaws

Dear Sir or Madam:

The Texas Credit Union League [TCUL] appreciates the opportunity to file comments regarding the proposed reincorporation of the Federal Credit Union Bylaws into NCUA regulations. The Texas Credit Union League is the official state trade association serving credit unions in Texas.

Organized in 1934, the Texas Credit Union League represents approximately 600 not-for-profit Texas credit unions, which in turn are owned by nearly 7 million members. Reincorporation of Bylaws into Regulations TCUL opposes reincorporating the bylaws into NCUA's rules and regulations.

If NCUA becomes involved in bylaw disputes, TCUL urges that NCUA's authority to enforce certain key bylaws be limited to those that address "fundamental material rights" of members. TCUL suggests that such authority be included in an introduction to the bylaws rather than

reincorporating the bylaws into regulation. Additionally, a definition of "fundamental materials rights" should be included, and the definition should exclude bylaw provisions dealing with administrative issues.

TCUL urges NCUA to allow federal credit unions to develop an internal process for handling bylaw disputes. Before becoming involved in a bylaw dispute, NCUA should permit the federal credit union to utilize its internal process.

If NCUA becomes involved in bylaw enforcement, authority should be construed narrowly and should not address bylaws that are strictly administrative in nature. NCUA examiners should be prohibited from involvement in bylaw disputes, and bylaw compliance should not be integrated into the examination process. When an unresolved dispute occurs regarding the enforcement of a core-issue bylaw, the appropriate NCUA regional director should review the dispute. The process should permit a credit union to appeal a regional director's decision to the NCUA central office.

NCUA's enforcement of the bylaws should not impose greater regulatory burdens on federal credit unions and should not be more expansive than that of other regulators.

Procedural Change for Preapproved Bylaws TCUL supports the proposed procedural change to streamline the bylaw amendment process for credit unions seeking to adopt a bylaw amendment using identical language to previously approved amendments.

Thank you for the opportunity to comment on this important matter. If you have any questions, please contact Suzanne Yashewski at (512) 853-8516.

Sincerely,

Suzanne Yashewski
VP Regulatory Compliance & Legal Affairs Texas Credit Union League

(512) 853-8516

The information contained in this message may be privileged, confidential, and protected from disclosure. If you are not the intended recipient, reading this message is strictly prohibited, as is any disclosure, copying or other use of this information. If you have received this communication in error, please notify us immediately by replying to this message, and then delete it from your computer. This electronic transmission and any information that it contains is the property of the Texas Credit Union League and affiliated companies.