Hawaii State
Federal Credit Union

VIA FACSIMILE: 703-518-6319

October 12, 2005

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

Re: Hawaii State Federal Credit Union's Comments on FCU Bylaws   OCT11'05 PM 3:15 BOARD

Dear Ms. Rupp:

Hawaii State Federal Credit Union is responding in favor of the NCUA's proposed revisions to the Federal Credit Union Bylaws, subject to the following modifications:

Section 3, Article IV increases the maximum number of signatures to call a special meeting from 500 to 750 signatures. Placing a cap of 750 signatures gives smaller credit unions the flexibility to require a greater percentage of its members to request a special meeting over a larger credit union where 750 would make up a small portion of its members. Perhaps it would be more equitable to both large and small credit unions if the bylaws specify a maximum number of signatures based on a percentage of membership.

Section 2, Article V requires mailing of paper ballots to all members when conducting election by electronic means. FCUs should not be required to include paper ballots as proposed in the provision as it would defeat the economic efficiencies provided by the electronic means.

Section 4, Article VI requires the filling of vacancies on the board, credit committee, and supervisory committee "as soon as possible, but no later than the next regularly scheduled board meeting." This change from "within a reasonable time" would create unreasonable burden on the board in finding a replacement should the resignation of the volunteer be received only a few days or a day before the next regularly scheduled board meeting. We suggest wording, such as "no later than the second regularly scheduled board meeting after receipt of resignation".

We thank the NCUA for this opportunity to comment.

Sincerely,

Deborah Kim
President