

# Coalition for Credit Union Charter Options

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Lee Bettis  
Executive Director

October 12, 2005

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

Dear Ms. Rupp:

Re: Proposed Changes to Federal Credit Union Bylaws

We are responding to the Notice and Request for Comment concerning NCUA's proposed changes to the federal credit union bylaws. Our comments are confined to one specific provision, namely mandatory recognition of member motions.

The agency may assert that this proposed bylaw is optional rather than mandatory. But judging by your past behavior, we believe the likelihood is strong that adoption of this change will be expected. Given the anti-conversion attitudes and rhetoric of your regional directors around the country, not to mention the agency's board members and general counsel, we can't help but think intense regulatory pressure will be brought to bear to see this provision implemented.

We have come to expect a continuing effort on your part to frustrate credit union-to-mutual charter conversions. That, in itself, is not surprising. The problem is you have proposed a very thorny solution with unintended but far-reaching negative consequences for the routine governance of all credit unions. We believe this is a catastrophic error.

The bylaw as proposed would give the floor to every miscreant crank and crackpot with an axe to grind at an annual or special meeting. Disgruntled former employees; angry members whose loan applications were rejected; socialist/environmentalist groups with designs on the credit union's funds; and professional activists pushing a populist cause — all would be recognized and given the chance to control a meeting agenda.