



6

August 26, 2005

AUG29'05 PM 3:31 BOARD

Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22341-3728

Subject: Request for Comment – Federal Credit Union Bylaws

Dear Ms. Rupp:

We have reviewed the subject, and respectfully offer our comments for NCUA consideration. With the exception of the issues noted herein, we support the revisions as proposed.

Section 3, Article IV increases the maximum number of signatures required to call a special meeting from 500 to 750 signatures. NCUA, recognizing that expensive special meetings can currently be called by a small percentage of members, proposes this change to help assure that only issues that are of interest to a large group of members are the subject of special meetings. Raising the maximum as proposed would serve to make progress towards the objective in the case of smaller credit unions; however, in the case of Security Service FCU with over 550,000 members, the proposed bylaw revision increases the percentage of member signatures necessary to call a special meeting from .09% to only .14% of members, hardly indicative of a large group of members. Given the foregoing discussion, we respectfully suggest that NCUA consider verbiage similar to: "750 signatures or .5% of eligible members, whichever is greater."

Regarding Article V, we have similar comments regarding the maximum number of signatures required for petition nominations for director positions. 750 maximum required signatures may represent a large group of members in smaller credit unions, but not in larger credit unions. We respectfully suggest consideration of verbiage similar to: "750 signatures or .5% of eligible members, whichever is greater."

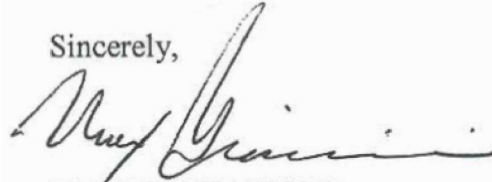
We continue to respectfully oppose Article V, Option A4 that requires credit unions to mail paper ballots to members when conducting an election by electronic means, as the proposed provision defeats potential economic efficiencies offered by the electronic process. At least two clear options exist to assure that all members have sufficient opportunity to vote via the voting medium of their choice, including:

7

- permission-based electronic voting, where members indicate their preference for an electronic ballot, making the mailing of a paper ballot unnecessary; or
- a process where paper ballots are made available upon request.

Thank you for considering the comments of Security Service Federal Credit Union. If you have any questions or require clarification, Chief of Staff Howard Baker or I am available at your convenience at (210) 476-4550.

Sincerely,



MAX GIOVANNINI
Chairman of the Board