



September 15, 2005

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

SENT VIA E-MAIL to regcomments@ncua.gov

RE: Comments on FCU Bylaws and Economic Growth and Regulatory Paperwork Reduction Act of 1996

Dear Ms. Rupp:

The Board of Directors and Management of Chartway Federal Credit Union are pleased to provide our comments on the proposed amendments by NCUA to the Federal Credit Union (FCU) Bylaws and the Economic Growth and Regulatory Paperwork Reduction Act of 1996.

In regards to the maximum number of member signatures required to call a special meeting, we agree that the number should be increased and further should be tied to a percentage of the credit union membership. We suggest that a threshold be set at "the greater of 750 or a percentage of membership" as determined by each individual credit union. A greater signature requirement based on membership ensures that special meetings are called only for "critical" issues and prevents costly, frivolous or special interest items to cause an unnecessary meeting.

Additionally, as the bylaws are currently written, the required number of signatures could be gathered over an unlimited time period. It is our opinion that a specific timeframe to gather signatures should be established by the Board of each credit union, such as a 60-day period.

We currently do not conduct our elections via electronic devices and agree that the requirement to mail paper ballots should continue as not all members have access to respond via the internet/e-mail. However, we feel the proposed changes and the options related to this type of election should be at the discretion of each individual credit union.

With respect to having an established time frame in which vacancies on the Board of Directors, Credit Committee and Supervisory Committee's must be filled; we feel that

the original language – “*within a reasonable time*” – should remain as written. However, it is our opinion that each individual credit union should determine and incorporate into their own bylaws the period of time considered “reasonable” (ex.: not to exceed 30 days) to fill vacancies specific to their business conditions.

The seven-day time limit has not created any problems for our credit union and it is agreed that the elapsed time between election and the reorganization should be minimal. Again, this should be at the discretion of each credit union including a “not to exceed” statement incorporated into their bylaws.

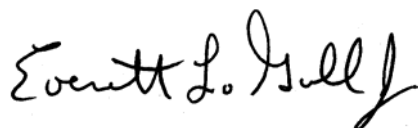
Based on the requirement to provide all shareholders the opportunity for timely access to the financial statement of the credit union, we feel posting a copy of the current financial monthly statement in a conspicuous place should be required, with further clarification of the term “*conspicuous*”. It should be the responsibility of each credit union to determine and establish the “conspicuous place” based on the unique operations or composition of the membership of each institution. Further, the method of delivery or “posting” should be the decision of each credit union Board. For example, the credit union website could be considered “conspicuous”.

Regarding the additional issues currently under consideration, it is our opinion that in a merger situation, the continuing credit union may include the retained earnings of the merging credit union in calculating and reporting net worth. It is our opinion that the amount a federal credit union can invest in a CUSO be increased from 1 to 3 percent of assets – or higher as determined by the credit union or based on capital levels; federal credit unions (CUSO) should be authorized to cash checks and wire funds for anyone eligible to join the credit union; credit unions should be allowed to convert to community charters while continuing to serve their SEGs and provide NCUA more flexibility in approving changes to the FCU usury ceiling.

Overall, we believe that many of these areas proposed for amendment are more appropriately a part of a credit union’s operational procedures and Board policies, and should not be mandated by NCUA but rather established by each credit union based on the unique needs of their membership and institution.

Thank you for the opportunity to comment on these proposed amendments. Please do not hesitate to contact me should you wish to discuss further. I can be reached at (757) 552-1000.

Sincerely,

A handwritten signature in black ink that reads "Everett L. Gull Jr." with a stylized flourish at the end.

Everett L. Gull Jr.
Chairman of the Board
Chartway Federal Credit Union