

GC/EAW:bhs
06-0111R

TO: C. Keith Morton, Acting Region V Director
FROM: Sheila A. Albin, Associate General Counsel
SUBJ: Proposed Bylaw Amendment – [] Federal Credit Union
DATE: January 18, 2006

Under NCUA Delegations of Authority, Supervision 12, you have asked for our concurrence regarding a proposed bylaw amendment from [] Federal Credit Union (FCU). The amendments would reduce the number of days in the FCU's election process. We have no legal objection to these amendments.

The FCU proposes to reduce most of the time frames in Article V, Option A2. The proposed amendment would:

Require the board to appoint the nominating committee 75 days before, rather than 120 days before, the annual meeting;

Require the nominating committee to file nominations 65 days before, rather than 90 days before, the annual meeting;

Retain the requirement that the minimum period for receiving nominations by petition extend at least 30 days from the date that the petition requirement and the list of the nominating committee's nominees are mailed to members;

Require nominations by petition to be posted 30 days before, rather than 40 days before, the annual meeting; and

Require the list of nominees to be posted in each credit union office 28 days before, rather than 35 days before, the annual meeting.

Nothing in the Federal Credit Union Act or our regulations requires the use of the 120-day time frame for elections, but NCUA has suggested this time period as a minimum since 1991. As noted in the letter from the FCU's attorney, NCUA has previously approved reductions in the election time frames, particularly for smaller credit unions. OGC 03-0944R, dated October 17, 2003. OGC's analysis

of proposed reductions in election time frames examines whether the reductions will affect members' ability to seek nomination by petition or reduce members' time to vote. See id. None of the proposed bylaw amendments would affect these rights. Members would still have 30 days between the date the petition requirement and the list of the nominating committee's nominees are mailed and the date nominations by petition are due. Although the list of nominees will be posted one week less under the proposed amendment, this change does not reduce members' time to vote because the credit union conducts elections in person.

We note that by shortening the time frames, the FCU may burden its staff because they will have less time to print notices, verify petitions, and post the list of nominees. However, we have no legal objection to the proposed amendments.