

March 29, 1993

Ilene M. Tamlyn
Chief Executive Officer
UFCW Northwest
Federal Credit Union
12650 S.E. Stark St.
Building I
Portland, OR 97233

Re: Compensation of Directors (Your Letter of March 19, 1993)

Dear Ms. Tamlyn:

You requested an opinion regarding the ability of a federal credit union ("FCU") to compensate a board member/officer, serving only in that capacity, when another director is a paid employee of the same FCU. This is permissible. Section 112 of the FCU Act permits only one director to "be compensated as an officer of the board." 12 U.S.C. ~1761a. The compensated officer can be any officer of the board. This position has long been held by the NCUA. See Letter from James J. Engel, NCUA Deputy General Counsel, to Ms. Jeannette Perez, Re: Paid Employees Serving as Directors, dated June 27, 1991 (enclosed) and Letter from me to Henrietta Rogers, Manager, Wheat Street Church FCU, Re: Opinion Letter ~89-0905, dated July 24, 1990 (enclosed, with attachments).

Sincerely,

Hattie M. Ulan
Associate General Counsel

Enclosures

GC/MEC:sg
SSIC 4062
93-0331