



Louisiana
Credit Union League

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: ANPR Regarding Standard Federal Credit Union Bylaws

Dear Mr. Poliquin:

On behalf of the Board and 188 members of the Louisiana Credit Union League (LCUL), I would like to take this opportunity to comment in response to NCUA's Advance Notice of Proposed Rulemaking (ANPR) seeking comments regarding possible revisions to the standard federal credit union bylaws.

We are supportive of any agency effort that will result in more flexibility for credit unions to change their bylaws just as other multi-million and multi-billion dollar businesses do in order to keep up with changing times in a dynamic financial marketplace. It is our hope that through this rulemaking process NCUA, where not prohibited by statute, will make available more flexible and less prescriptive options to credit unions that would bring about a more expeditious and efficient approval process for bylaw amendments.

To that end, we are pleased to provide our comments to the specific questions presented in the ANPR.

How can the federal credit union bylaws amendment process be improved?

While we understand that the Office of Credit Union Resources and Expansion (CURE) does have a requirement to process previously approved bylaw amendments within 15 days, we would support a revision that would require that all other bylaw requests be processed by the agency within 30 days of submission.

It has been our experience that most bylaw amendment requests are fairly straightforward, but absolutely necessary, for the efficient operation of the credit union. To help expedite requests and in an effort to eliminate duplication of effort, we would urge the Board to consider developing a list of pre-approved categories of bylaw amendments whereby requests that fall into one of the pre-approved categories could be immediately approved through an online application/notification process. In addition, it would be helpful if all previously approved bylaw amendments were posted in a clear and conspicuous place on the agency's website.

How can the NCUA Board clarify the bylaws provisions addressing limitation of service and expulsion of members?

Although we appreciate what appears to be the Board's apparent desire to provide more guidance and clarity to credit unions in the implementation of limitation of service policies, we are not convinced that a separate regulation or major revision to the bylaws is necessary.

The ANPR suggests that contract provisions in account and service agreements, as well as federal and state laws may affect the ability of a federal credit union to implement a limitation of service policy in some cases. While that may be true, it is unlikely that all of the possible scenarios and potential impact could be addressed in the bylaws in a sufficient manner to bring about enough clarity that would make such an undertaking worthwhile.

It is our view that previously issued legal opinions from NCUA's Office of General Counsel provide sufficient guidance on the limitation of service and expulsion of members.

How can the NCUA Board improve the bylaws to facilitate the recruitment and development of directors?

We wholeheartedly agree that the recruitment and development of committed board members is an important issue for federal credit unions. Clearly, the need for a specific process in the standard bylaws for nominating a candidate to serve on the board of directors is an essential element for any working set of bylaws, however, we do not believe that an amendment to the standard bylaws is needed to authorize a federal credit union to establish an advisory committee to help identify and recruit potential candidates to serve on the board of directors.

Although federal credit unions should be encouraged to develop criteria and guidelines to assist in the identification of prospective candidates for election to the board of directors, any guidance the NCUA Board may choose to include as commentary in the standard bylaws would most likely have to be general in nature and would need to be broad in its scope in order to accommodate the unique and diverse needs of individual credit unions. Furthermore, we are concerned that any such guidance could be viewed and utilized as a regulatory requirement if included specifically as part of the standard bylaws.

That said, we support the idea of authorizing federal credit unions to have the ability and flexibility to establish a standing advisory committee to recruit potential candidates to fill board vacancies if they so desire. If so authorized, the composition of the committee should be primarily left up to the credit union to determine, provided that the committee is comprised of individuals within the credit union's field of membership who are currently not serving as an elected member of the board of directors.

How can the NCUA Board improve the bylaws to encourage member attendance at annual and special meetings?

In our view, the current requirement that federal credit unions must provide members with at least 30 days and not more than 75 days written notice is adequate. However, the bylaws should take into account additional means and methods of notification by clearly stating that

the credit union's notification of the annual or special meeting via email, text messaging or other electronic means satisfies the definition of written notice.

In a day and age where individuals can cast their vote for their favorite American Idol contestant through a text message it does not seem far-fetched to think that an annual meeting of a federal credit union could not be properly conducted via teleconference or video conference.

To that end, we would encourage the Board to permit federal credit unions with the ability to fully maximize the use of proven technology delivery channels to provide greater access to credit union products and services, including but not limited to the ability to attend annual and special meetings by teleconference or videoconference.

Should the Board eliminate overlaps between the NCUA's regulations and the FCU bylaws?

The ANPR indicates that during its review of the standard bylaws, NCUA staff identified a number of NCUA regulations that overlap to some extent with the standard bylaws. It is our understanding that most of the overlaps concern issues associated with member confidentiality, conflicts of interest, record retention, and the availability of books and records. While overlaps such as these are duplicative and perhaps redundant, they do not necessarily present any significant increased compliance burden in our view.

That said, we have no objection to the removal of overlaps in the standard bylaws where appropriate and where the result in doing so will not create any undue confusion about what is required of federal credit unions from a compliance perspective.

In closing, we would like to once again thank you for the opportunity to comment on this ANPR which we feel is very important to our credit union and the credit union industry. Please do not hesitate to contact us if we can provide additional information or perspective on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Bob Gallman".

Bob Gallman
President/CEO
Louisiana Credit Union League