



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

LS/YG:cch  
FCU #24113  
MAR 28 1985

MEMORANDUM

FROM: Department of Legal Services  
TO : Regional Director, Region IV (Chicago)  
SUBJ: Construction Equipment Federal Credit Union, Charter #24113  
REF : (a) RD, Region IV (Chicago) memo, IV/JRT:jt dated 2/15/85; same subj.

1. This responds to reference (a) in which you ask whether the board of directors of an FCU can ~~authorize an executive committee to conduct meetings and transact business~~ on the board's behalf during certain months in place of regular monthly board of directors meetings. Neither the FCU Act, the NCUA Rules and Regulations or the Standard FCU Bylaws provide a direct answer to this issue. However, guidance is had by reviewing case law involving these issues.

2. General corporate law provides that while the board of directors may delegate specific ministerial functions to an executive committee, it cannot delegate the general responsibility for managing the affairs of the credit union, particularly those functions involving the highest judgment or discretion.

3. Consequently, there can be no substitution by an executive committee for monthly board of directors meetings that are mandated by the FCU Act.

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FOIA

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