



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

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April 23, 1986

Office of General Counsel

Ms. Diane Johnson
Riverside Campus Federal Credit Union
3595 Canyon Crest Drive
Riverside, CA 92507

This is in reply to your letter to this Office dated February 21, 1986, concerning whether a nominating committee can refuse to accept the nomination of a candidate to the Board of Directors because of bankruptcy.

Article VI, Section 1 of the standard Federal Credit Union Bylaws provides that the President shall appoint a nominating committee whose duty it is to nominate at least one member for each vacancy. The nominating committee can establish reasonable qualification standards of fitness for office, as directed by the president or board, for purposes of evaluating prospective nominees. Whether or not a member's prior filing for bankruptcy may be used as a bar to nomination is a matter that is not addressed in the FCU Act, the NCUA Rules and Regulations, or the Bylaws. This is an area where your FCU must decide if the criteria is appropriate and consistent with the relevant common law of your State involving corporations.

We should point out that, although a member may not be nominated by a nominating committee, he/she would continue to be eligible to be nominated by petition or from the floor, as provided by the Bylaws. Therefore, a restrictive selection policy of the nominating committee would not otherwise preclude any member seeking to run for the board from seeking other methods to get nominated and ultimately elected.

Please let me know if you have further questions. I hope we have been of assistance.

Sincerely,

B/

STEVEN R. BISKER
Assistant General Counsel

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