



NATIONAL CREDIT UNION ADMINISTRATION

Washington, D.C. 20456

December 1, 1987

L.C./RD sg
2/10/60

Office of General Counsel

Douglas E. Canders, Esq.
Canders & Weaver
P.O. Box 53851
Fayetteville, NC 28305-3851

Dear Mr. Canders:

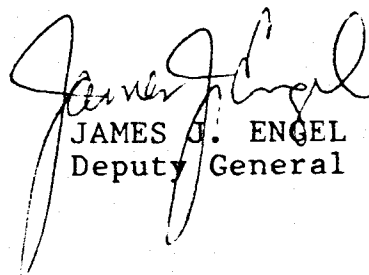
This is in response to your letter of September 21, 1987, concerning whether, pursuant to Section 112 of the Federal Credit Union Act, one member of a Federal credit union board of directors may be compensated as an officer of the board.

Section 112 of the FCU Act (12 U.S.C. §1761a) provides for the election of board officers and authorizes the compensation of only one FCU board member in his/her capacity as a board officer. Section 112 was amended in 1982 to allow FCU's to determine which board member is to be compensated. Prior to the change in Section 112 of the FCU Act, only the treasurer of the FCU was allowed to be compensated for duties on the FCU board. Article VIII, Section 1, of the FCU bylaws in used to specify the compensated position.

Lastly, we direct your attention to Section 701.33 of the NCUA Rules and Regulations (12 C.F.R. §701.33) which retains the vestiges of the old rule allowing only the FCU treasurer to be the compensated officer of the board. Through an oversight this rule was not correspondingly amended. This regulation will be revised in the near future to comport with the change in the FCU Act.

I hope we have been of assistance.

Sincerely,


JAMES J. ENGEL
Deputy General Counsel

RD:sg

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Compensation of FCU board member