



NATIONAL CREDIT UNION ADMINISTRATION

Washington, D.C. 20456

April 23, 1990

Office of General Counsel

Ms. Rose Marie Jung  
Coldwell Banker  
Residential Real Estate  
6816 Laurel Bowie Road  
Bowie, Maryland 20715

Re: Attendance at Credit Union Meetings (Your  
March 9, 1990, Letter)

Dear Ms. Jung:

You have asked us the following questions: 1) Does a member of a Federal credit union ("FCU") have the right to attend FCU committee meetings? No. 2) Is an FCU member who is no longer within the field of membership of the FCU allowed to hold office at the FCU? In general, yes.

BACKGROUND

You are a member of the Prince Georges Realtors Federal Credit Union. You asked for and were denied the right to attend a committee meeting.

Mr. James Clements, a member of the FCU, is no longer within the field of membership of the FCU. However, Mr. Clements is presently the Vice-President of the FCU.

ANALYSIS

MEMBER ATTENDANCE AT COMMITTEE MEETINGS

It has been NCUA's longstanding position that members do not have any right to attend FCU board of directors meetings. We believe that member attendance at Board meetings may have an inhibiting and disruptive effect on directors charged by Section 113 of the Federal Credit Union Act (12 U.S.C. §1761b) and elected as

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representatives of the membership to run the affairs of the credit union. In addition, member attendance at Board meetings would also violate the duty of the directors to keep confidential the affairs of its members under Article XIX, Section 2 of the credit union's bylaws. This position is in accordance with corporate common law. The same principles that apply to prohibiting members from board meetings also applies to committee meetings. Thus, a member has no right to attend committee meetings of the FCU. However, the member may have access to the minutes of the committee meetings once items of a personal nature are deleted.

ONCE A MEMBER, ALWAYS A MEMBER BYLAW


Article II, Section 5 of the Standard FCU Bylaws provides that:

The membership of members who are no longer within the field of membership on the day this bylaw is effective or thereafter, is terminated immediately: Provided, however, That the board may resolve that such members may retain membership if they meet certain reasonable minimum standards established by the board.

With this bylaw provision, an individual can retain membership in the FCU even though he is no longer within the field of membership. However, the individual member must have established membership while within the field of membership. As long as your FCU has resolved to allow members to retain membership, pursuant to the bylaw, the member retains all rights and privileges of a member, including the right to hold an FCU office, unless otherwise restricted.

Under your fact scenario, as long as the credit union has the "once a member, always a member" bylaw provision, there is no prohibition against James Clements holding office at the FCU.

Sincerely,



Hattie M. Ulan  
Associate General Counsel

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