

FEDERAL CREDIT UNION ADMINISTRATION

June 1, 1990

Michael Pollard, Esquire
843 Penniman Avenue
Plymouth, Michigan 48170-1690

Re: Board Members' Use of Proxies (Your April 13, 1990,
Letter)

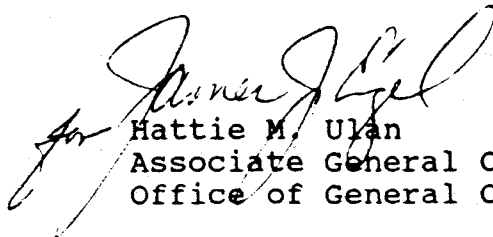
Dear Mr. Pollard:

You have asked whether a federal credit union (FCU) board member may delegate his voting rights to another board member by proxy. The answer is no.

ANALYSIS

Article VII, Section 4 of the Standard FCU Bylaws governs FCU board meetings. Under the standard bylaw, board members must be in attendance at meetings. However, the standard amendment to Article VII, Section 4 set forth in the Standard FCU Bylaw Amendments and Guidelines, provides for conference call telephone meetings as an alternative to regular meetings. Conference calls are the only alternative if a director wants to be physically absent from a board meeting and still conduct board business. There is no authority in the Standard FCU Bylaws, the FCU Act, or NCUA Rules and Regulations that permits a member of a board of directors of an FCU to delegate either his duties or authority to another board member and to cast votes by proxy. This is consistent with general corporate law.

Sincerely,


Hattie M. Ulan
Associate General Counsel
Office of General Counsel

GC/MM:sg
SSIC 3701
90-0432