



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

August 1, 1991

James L. Stuppy  
Director, Governmental Affairs  
Virginia Credit Union League  
P.O. Box 11469  
Lynchburg, VA 24506

Re: Par Value (Your June 28, 1991, Letter)

Dear Mr. Stuppy:

You have asked whether the board of directors of a federal credit union (FCU) may set different par values for different classes of members.

As you note, Section 113(11) of the FCU Act, 12 U.S.C. §1761b(11), provides that the board of directors has the authority to "establish the par value of the share." Despite the suggestion that there may be only one par value, we do not think Congress actually intended to prohibit multiple par values. Since there does not appear to be anything else in the FCU Act to prohibit the activity, we believe that an FCU can set different par values for different classes of shares. We note, however, that Article III, Section 1, of the FCU Bylaws states in part, "The par value of each share shall be \$\_\_\_\_\_." Authority to set different par values would require a nonstandard bylaw amendment.

We also note that in setting different par values, an FCU should take care not to violate any other applicable state or federal laws, such as discrimination laws.

Sincerely,

James J. Engel  
Deputy General Counsel

GC/LH:sg  
SSIC 3600  
91-0713

FOIA Vol. III, A, 4  
VI, B

Bylaws