



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

February 27, 1992

Bruce O. Jolly, Jr.
Lane & Mittendorf
919 18th Street, N.W.
Washington, D.C. 20006

Re: ~~Mail Ballot~~ (Your February 10, 1992, Letter)

Dear Mr. Jolly:

NASA Federal Credit Union (FCU) has adopted the Standard By-law Amendment to Article VI, Section 8 which provides for the use of mail ballots as the exclusive procedure for the election of directors and committee members. You have asked whether it is necessary to put the ballot in a separate envelope before putting it in the return envelope. A separate envelope for the ballot is not required if the FCU is using a properly designed ballot/identification form.

ANALYSIS

The Standard Bylaw Amendment for Article VI, Section 8(c) adopted by the FCU states:

(c) The secretary shall cause the following material to be mailed to each eligible voter:

(1) One ballot, clearly identified as such

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(2) One envelope clearly marked with instructions that the completed ballot shall be placed therein and the envelope sealed

(3) One identification form to be completed so as to include the name, address, signature and credit union account number of the voter

(4) One mailing envelope in which the voter pursuant to instructions provided, shall insert the sealed ballot envelope and the identification form, and which shall have been postage prepaid and preaddressed for return to the tellers of election.

(5) When properly designed, one form can be printed that represents a combined ballot/identification form, and postage prepaid and preaddressed return envelope; FCU Standard Amendments and Guidelines, p. 35.

We interpret Section 8(c) to eliminate the requirement for the ballot to be put in a separate envelope if the FCU is using a properly designed ballot/identification form.

One additional note. As you are no doubt aware, an FCU's by-laws function as a contract governing the relationship between the FCU and its' members. It has long been NCUA policy not to become involved in bylaw disputes, unless the alleged bylaw violation poses a threat to the safety and soundness of the FCU in question or unless there are issues relating to the FCU Act or NCUA Rules and Regulations. We do not believe that it would be appropriate for NCUA to insert itself into what is essentially an internal problem within the credit union's power to resolve.

Sincerely,

Hattie M. Ulan

Hattie M. Ulan
Associate General Counsel

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