



National Credit Union Administration
Office of General Counsel

TO: NCUA Board
DATE: September 12, 2022
FROM: Office of General Counsel
SUBJ: Proposed Rule – Federal credit union bylaws (Part 701, Appendix A)

ACTION REQUESTED: NCUA Board approval to issue the attached proposed rule for a 60-day comment period.

DATE ACTION REQUESTED: September 22, 2022.

OTHER OFFICES CONSULTED: Office of Consumer Financial Protection and Office of Credit Union Resources and Expansion.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: There is no estimated budget impact.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Rachel Ackmann, Senior Staff Attorney, Office of General Counsel.

SUMMARY: On March 15, 2022, Congress enacted the Credit Union Governance Modernization Act of 2022. Under the statute, the NCUA has 18 months following the date of enactment to develop a policy by which a federal credit union (FCU) member may be expelled for cause by a two-thirds vote of a quorum of the FCU's board of directors. The proposed rule would amend the standard FCU bylaws to adopt such a policy. The 18-month period to adopt a final rule enacting a policy on member expulsion ends September 15, 2023.

RECOMMENDED ACTION: The NCUA Board approve the attached proposed rule for publication in the *Federal Register* for a 60-day comment period.

ATTACHMENT: Proposed rule with a request for comments.