



National Credit Union Administration
Office of General Counsel

TO: NCUA Board
DATE: July 6, 2023
FROM: Office of General Counsel
SUBJ: Final Rule – Federal credit union bylaws (Part 701, Appendix A)

ACTION REQUESTED: NCUA Board approval to issue the attached final rule.

DATE ACTION REQUESTED: July 20, 2023

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, 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. At its September 22, 2022, meeting, the NCUA Board proposed amending the agency's standard FCU bylaws to adopt such a policy. The proposal provided for a 60-day comment period, which ended on December 2, 2022. The final rule amends the standard FCU bylaws in part 701 of NCUA's regulations to adopt a policy by which an FCU member may be expelled by an FCU board of directors. The 18-month period to adopt a final rule enacting such a policy ends September 15, 2023.

RECOMMENDED ACTION: The NCUA Board approve the attached final rule for publication in the *Federal Register*.

ATTACHMENT: Final rule.