

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: August 1, 2012

FROM: Office of General Counsel

SUBJ: Definition of "Rural District"
12 C.F.R. §701.1

ACTION REQUESTED: Board issuance of the attached proposal to amend the definition of "rural district" to increase the potential population limit of some rural districts under certain circumstances.

DATE ACTION REQUESTED: September 20, 2012.

BUDGET IMPACT, IF ANY: None.

RESPONSIBLE STAFF MEMBER: Frank Kressman, Associate General Counsel, Office of General Counsel.

SUMMARY: The proposal amends the definition of "rural district" in NCUA's Chartering and Field of Membership Manual. The proposed definition permits a geographic area to qualify as a rural district if, among other criteria, it has a total population that does not exceed the greater of 200,000 people or three percent of the population of the state in which the majority of the district is located. The current definition limits the rural district's population to 200,000, regardless of the population of the state containing the majority of the rural district.

RECOMMENDED ACTION: Recommend the Board issue the proposed rule with a 60-day comment period.

ATTACHMENT: Proposed rule.