



National Credit Union Administration
Office of General Counsel

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: 11/02/2021

FROM: Rodney E. Hood, Board Member

SUBJ: 12 C.F.R. part 701,
Appendix B

Rodney E. Hood

ACTION REQUESTED: Board approval to issue the attached final rule revising the definition of service facility for multiple common bond (“MCB”) federal credit unions (“FCUs”) contained in the NCUA’s Chartering and Field of Membership Manual.

DATE ACTION REQUESTED: November 18, 2021.

OTHER OFFICES CONSULTED: OED, OGC and CURE.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Elizabeth Wirick, Senior Staff Attorney.

SUMMARY: The final rule modernizes requirements related to service facilities for MCB FCUs. For purposes of adding groups, the final rule includes any shared branch, shared ATM, or shared electronic facility in the definition of “service facility” for a MCB FCU that participates in a shared branching network. The FCU need not be an owner of the shared branch network for the shared branch or shared ATM to be a service facility. For the addition of underserved areas, a more restrictive definition of “service facility” applies. A location must accept deposits, take loan applications, and disburse loan proceeds to qualify as a service facility for an underserved area. Just as for select group additions, an ownership interest in a shared branching network is no longer a requirement for an MCB FCU using a shared facility to add an underserved area.

RECOMMENDED ACTION: Recommend the Board approve publication of the final rule.

ATTACHMENT: Final rule.