

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: November 13, 2008

FROM: Office of General Counsel

SUBJ: Final Rule – Parts 701 & 705

ACTION REQUESTED: NCUA Board's approval of final rule amending the definition of "low-income members" to use median family income to determine if a credit union qualifies for low-income designation and assistance from the Community Development Revolving Loan Fund (CDRLF). 12 C.F.R. Parts 701, 705.

DATE ACTION REQUESTED: November 20, 2008.

OTHER OFFICES CONSULTED: All Regional Offices, Office of Examination and Insurance, Office of Corporate Credit Unions, and Office of Small Credit Union Initiatives.

VIEWS OF OFFICES CONSULTED: Concurred.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

BUDGET IMPACT, IF ANY: None.

RESPONSIBLE STAFF MEMBERS: Moissette I. Green, Staff Attorney, Office of General Counsel.

SUMMARY: The NCUA is amending the definition of "low-income members" to use median family income to determine if a credit union qualifies for a low-income designation and assistance from the Community Development Revolving Loan Fund. The amendment will eliminate the confusion associated with adjusting median household income in metropolitan areas with higher costs of living. Additionally, it will better align NCUA criteria for a low-income designation with the criteria for the addition of an underserved area to a federal credit union field of membership and certification as a Community Development Financial Institution.

RECOMMENDED ACTION: Recommend the Board issue the final rule.

ATTACHMENT: Final rule.