
Board Action Bulletin



Prepared by the Office of Public & Congressional Affairs

NCUA BOARD MEETING RESULTS FOR JANUARY 13, 2011

Truth in Savings Rule Finalized to Update Overdraft Disclosures The NCUA Board approved final rule Part 707 clarifying provisions affecting electronic disclosures of overdraft fees, overdraft fee disclosure terminology, and retail sweep accounts.

The Truth in Savings Act requires NCUA to promulgate substantially similar regulations within 90 days of the effective date of Federal Reserve's rules. The attached rule is substantively identical to the Federal Reserve's 2010 final rule, but contains changes in nomenclature and minor editorial and reference changes. The rule is unchanged from the interim final rule the Board issued at the July 2010 Board meeting.

Supervisory Review Committee Authorized to Hear Grant Appeals

The NCUA Board issued an interim final Interpretive Ruling and Policy Statement (IRPS) that combines IRPS 95-1 and IRPS 02-1 and adds denials of technical assistance grant reimbursements to the list of items credit unions can appeal to NCUA's Supervisory Review Committee.

This IRPS is effective when published in the Federal Register and was issued with a 30-day comment period.

NCUA Sets Strategic Goals for 2011

The NCUA Board approved the NCUA Annual Performance Budget (APB) 2011, which serves as the agency's annual plan. The plan outlines NCUA objectives, strategies and initiatives for the year. It also provides guidance and serves as a tool that illustrates how staff contributes to meeting agency goals and objectives.

High-priority goals include monitoring risks in federally insured credit unions and continuing to stabilize the corporate credit union system.

A cross-agency working group developed the initial draft NCUA Annual Performance Budget 2011 using input from all offices and regions. All regional and central office leadership provided concurrence.

Some significant enhancements to NCUA's APB include: a description of agency programs and offices that contribute to goals; a clearer connection between annual objectives and strategic goals, and the addition of annual measures for each objective in addition to strategic

measures. Overall, the plan is an improved management tool and offers the public and staff increased transparency.

The NCUA Strategic Plan 2011-2016 is available in NCUA's website at <http://ncuagov.ncua.lan/Legal/RptsPlans/Pages/PlansAndReports.aspx>.

NCUSIF Ends Year with Strong Equity; TCCUSF Repays Treasury

The National Credit Union Share Insurance Fund (NCUSIF) equity ratio was 1.28 percent at December 31, 2010, based on projected collections related to the increase in estimated insured shares. The year ended with a \$1.26 billion NCUSIF reserve balance -- \$749.1 million was added to insurance loss expense reserves over the year and \$317.2 million in losses were charged against the reserve account. NCUSIF 2010 net income totaled \$283.6 million.

At year-end, 368 federally insured credit unions, with assets of \$43.8 billion and shares of \$38.9 billion, were designated CAMEL code 4 or 5. In addition, 1,827 CAMEL 3 credit unions had assets of \$156.7 billion and shares of \$138.4 billion. Overall, 22.2 percent of all credit union assets were in CAMEL code 3, 4 or 5 credit unions.

Through December, 28 federally insured credit unions failed in 2010 -- 18 liquidations and 10 assisted mergers. The NCUSIF cost of failures was \$220.7 million during 2010.

The Temporary Corporate Credit Union Stabilization Fund (TCCUSF) total liabilities and net position was \$373.5 million at year-end 2010. A \$4 billion loan to stabilize the corporate credit union system was repaid to TCCUSF and subsequently repaid to Treasury on December 21. TCCUSF ended the year with no outstanding Treasury borrowings.

Financial data reported for both the Share Insurance Fund and the Temporary Corporate Credit Union Stabilization Fund are preliminary and unaudited.

Board votes are unanimous unless otherwise indicated. All Board Action Memorandums are available online at www.ncua.gov under Agency Leadership/NCUA Board and Actions/Draft Board Actions, and NCUA rule changes are posted online at www.ncua.gov under Resources/Regulations, Legal Opinions and Laws.