

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** August 17, 2012

**FROM:** Office of General Counsel

**SUBJ:** Payday-Alternative Loans  
12 C.F.R. §701.21

**ACTION REQUESTED:** Board issuance of the attached advance notice of proposed rulemaking (ANPR) regarding the Payday-Alternative Loan (PAL) rule.

**DATE ACTION REQUESTED:** September 20, 2012.

**OTHER OFFICES CONSULTED:** All Regions and Office of Examination and Insurance.

**VIEWS OF OTHER OFFICES CONSULTED:** Pending.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

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

**SUMMARY:** The ANPR requests comment on ways to improve the PAL rule to encourage more federal credit unions to offer PAL loans. The ANPR poses specific questions on elements of the rule such as permissible interest rate, application fee, and maturity, but also requests general comments on ways to improve the rule.

**RECOMMENDED ACTION:** Recommend the Board issue the ANPR with a 60-day comment period.

**ATTACHMENT:** ANPR.