

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: September 20, 2013

FROM: Office of General Counsel
Office of National Examinations and Supervision

SUBJ: Part 702 Notice of Proposed
Rulemaking – Capital Planning and
Stress Testing

ACTION REQUESTED: Board approval to issue the attached notice of proposed rulemaking (NPRM) in the Federal Register with a 60-day public comment period.

DATE ACTION REQUESTED: October 24, 2013.

OTHER OFFICES CONSULTED: Regional Offices, Office of Examination and Insurance, Office of the Chief Economist.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: If promulgated, the rule would require an increase in NCUA's budget due to the cost of outsourcing stress testing. The actual costs would be determined by the parameters of the final rule and would be subject to the competitive bidding process. However, staff estimates that the cost would not exceed \$4 million in the first year. Any stress testing expenses above \$4 million would be subject to further NCUA Board approval. Actual expenses would be charged to the National Credit Union Share Insurance Fund, not the NCUA operating budget.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Scott Hunt, Director, and Jeremy Taylor, Senior Capital Markets Specialist, Office of National Examinations and Supervision; Dale Klein, Senior Capital Markets Specialist, Office of Examination and Insurance; and Lisa Henderson, Staff Attorney, Office of General Counsel.

SUMMARY: The NCUA Board is requesting public comment on a proposed rule that would require federally insured credit unions (FICUs) with assets of \$10 billion or more to develop and maintain capital plans. The proposed rule also describes annual stress tests NCUA would conduct of those FICUs. If promulgated, the rule would be codified at new Subsection E to Part 702.

RECOMMENDED ACTION: The NCUA Board issue the attached NPRM.

ATTACHMENT: NPRM.