

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: January 26, 2012

FROM: Office of General Counsel and
Office of Examination and Insurance

SUBJ: Advanced Notice of
Proposed Rulemaking – Part 703

ACTION REQUESTED: Board issuance of the attached advance notice of proposed rulemaking (ANPR).

DATE ACTION REQUESTED: January 26, 2012

OTHER OFFICES CONSULTED: All Regional Directors, E&I, and Executive Director.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: J. Owen Cole Jr., Director, Division of Capital Markets, Office of Examination & Insurance; Mark Vaughan, Deputy Director, Division of Capital Markets, Office of Examination & Insurance; Jeremy F. Taylor, Senior Capital Markets Specialist, Division of Capital Markets, Office of Examination & Insurance; and Lance Noggle, Staff Attorney, Office of General Counsel

SUMMARY: The attached ANPR requests additional public comments to identify the conditions for federal credit unions (FCUs) to engage in certain derivatives transactions for the purpose of offsetting interest rate risk. The ANPR, which further elaborates a prior advance notice of proposed rulemaking approved by the Board on June 16, 2011, seeks additional information to assist in drafting a proposed rule for FCUs to independently engage in derivatives transactions.

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

ATTACHMENT: Advanced notice of proposed rulemaking.