



BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE June 2, 2015

FROM: Acting Director Wendy A. Angus
Office of Minority and
Women Inclusion

SUBJ: Final Interpretive Ruling and Policy
Statement on the Minority Depository
Institution Preservation Program

ACTION REQUESTED: Approve the final Interpretive Ruling and Policy Statement 13-1 (IRPS) establishing the Minority Depository Institution Preservation Program.

DATE ACTION REQUESTED: June 18, 2015

OTHER OFFICES CONSULTED: Office of General Counsel, Office of Small Credit Union Initiatives, Office of Consumer Protection, Office of Examination and Insurance, and the Regional Offices.

VIEWS OF OTHER OFFICES CONSULTED: Concur

BUDGET IMPACT, IF ANY: None

RESPONSIBLE STAFF MEMBERS: Office of Minority and Women Inclusion Acting Director Wendy Angus; Diversity Outreach Program Analyst Cynthia Vaughn; and Senior Staff Attorney Steven Widerman.

SUMMARY: In 2010, Congress enacted Section 367 of the Dodd Frank Wall Street Reform and Consumer Protection Act, which requires NCUA, the Board of Governors of the Federal Reserve System, and the Office of Comptroller of the Currency to comply with the goals of the Financial Institutions Reform, Recovery and Enforcement Act of 1998 (FIRREA) to preserve and promote Minority Depository Institutions (MDIs). Section 367 also requires these agencies, along with the Federal Deposit Insurance Corporation, to each submit an annual report to Congress describing efforts to carry out these goals.

In 2013, the NCUA Board proposed an IPRS to establish a Minority Depository Institution Preservation Program (MDI Program) designed to achieve for credit unions the FIRREA goals of preserving and encouraging MDIs. Recognizing the important role of MDIs in minority communities, the NCUA Board is finalizing this IRPS to implement a program of proactive steps and outreach efforts to preserve minority ownership in the credit union industry. This IRPS prescribes the MDI Program's eligibility criteria and its features.

Compared to the proposed IRPS, the most significant change in the final IRPS concerns refinement of the definition of an MDI. To be consistent with FIRREA §308's definition of a mutual institution, an MDI is defined as a federally insured credit union where the majority of

the Board of Directors, current members, and the community it serves are Black American, Hispanic American, Asian American, or Native American.

RECOMMENDED ACTION: Approve the final Interpretive Ruling and Policy Statement 13-1 establishing the Minority Depository Institution Preservation Program.

ATTACHMENT: Final Interpretive Ruling and Policy Statement 13-1 establishing the Minority Depository Institution Preservation Program.