
Board Action Bulletin



Prepared by the Office of Public and Congressional Affairs

NCUA BOARD MEETING RESULTS FOR APRIL 21, 2009



NCUA considers unfair or deceptive credit card practice revisions

Joining the Federal Reserve and Office of Thrift Supervision (OTS), the NCUA Board issued a proposal to clarify provisions in a joint final rule issued December 2008, prohibiting institutions from engaging in unfair or deceptive acts or practices related to consumer credit card accounts. See 74 Fed. Reg. 5498 (January 29, 2009).

The NCUA Part 706 rule proposal includes clarifying amendments and additional examples in the official staff interpretations covering treatment of deferred interest and promotion programs, and application of the Servicemembers Civil Relief Act to consumer credit card accounts.

Issued with a 30-day comment period, the proposal is designed to ensure institutions can comply with the joint final rule on or before July 1, 2010.

Centralized chartering authorities revised

The NCUA Board finalized actions to centralize NCUA's chartering within the Headquarter's Office of Small Credit Union Initiatives (OSCUI); thereby, creating a national chartering program with the goal of meeting agency objectives and reducing regulatory burden on credit union charter applicants.

The revisions delegate OSCUI authority to approve and disapprove new charters, require OSCUI's concurrence to revoke new charters, and add authority to accommodate issuing Letters of Understanding and Agreement as necessary.

The NCUA Board approved the centralized chartering program last year, and OSCUI assumed responsibility for the new chartering program effective April 1, 2009.

Creditor claim appeal denied

The NCUA Board denied the creditor claim appeal of Centre Tech III. The former landlord of liquidated Norlarco Credit Union was seeking compensation for costs over and above contractual rent due.

OCMP budget, staff adjustments approved

The NCUA Board approved budget and staff changes for the Office of Capital Markets and Planning Division of Capital Markets and Central Liquidity Facility (CLF).

The request included the upgrade of two currently vacant capital markets positions as well as the approval of two new positions for the CLF.

NCUSIF status report

Through March 31, 2009, NCUSIF year-to-date revenue and expense included investment income of \$49.3 million, accrued recapitalization and premium income of \$6.08 billion, operating expense of \$22 million, and loss on investment -corporate- of \$1 billion. Net income through March was \$146.4 million.

With insurance loss expense of \$4.97 billion, recoveries of \$2.9 million, and charges of \$19.2 million through March, the NCUSIF reserve balance was \$5.23 billion March 31, 2009 – approximately \$5.0 billion in specific reserves and \$230 million in non-specific reserves.

Based on year-end 2008 insured shares of \$611.6 billion, the NCUSIF equity ratio was 1.30 percent as of March 31, 2009. Four federally insured credit unions failed through March – 1 liquidation and 3 assisted mergers -- at a cost of \$15.4 million.

There were 279 problem code credit unions March 31, 2009, with shares representing 2.95 percent of total insured shares – 58.1 percent had less than \$10 million in total shares and 1.4 percent had more than \$1 billion in total shares.

Board votes are unanimous unless otherwise indicated