

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: June 9, 2008

FROM: Office of General Counsel

SUBJ: Advance Notice of Proposed Rulemaking, Part 723- Member Business Loans

ACTION REQUESTED: Board approval of Advance Notice of Proposed Rulemaking (ANPR) regarding the member business loans (MBL) rule.

DATE ACTION REQUESTED: June 19, 2008.

OTHER OFFICES CONSULTED: Office of Examination and Insurance, Office of Corporate Credit Unions, Asset Management and Assistance Center, and All Regional Directors.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Frank Kressman, Staff Attorney, Office of General Counsel.

SUMMARY: NCUA is considering amending its MBL rule to clarify or revise current provisions including those related to: 1) loan-to-value ratio requirements; 2) collateral and security requirements; 3) credit union service organization involvement in the MBL process; 4) MBL loan participation; and 5) waivers. NCUA seeks comment on these issues and any others commenters think NCUA should consider.

RECOMMENDED ACTION: Recommend the Board issue the ANPR.

ATTACHMENT: ANPR.