

BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** May 2, 2011

FROM: Office of General Counsel **SUBJ:** Final Rule -
Part 745

ACTION REQUESTED: Board approval of final rule to fully insure, on a temporary basis, the net amount that any member or depositor at an insured credit union maintains in a noninterest-bearing transaction account. 12 C.F.R. Part 745.

DATE ACTION REQUESTED: May 19, 2011.

OTHER OFFICES CONSULTED: All Regional Offices and E&I.

VIEWS OF OFFICES CONSULTED: Concur.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

BUDGET IMPACT, IF ANY: No.

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

SUMMARY: Staff recommends the Board issue the attached final rule which provides that, on a temporary basis, NCUA shall fully insure the net amount that any member or depositor at an insured credit union maintains in a noninterest-bearing transaction account. Although this insurance coverage is self-implementing, and therefore already in place as a result of Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, this final rule: (1) clarifies the definition of the term "noninterest-bearing transaction account;" (2) provides that this new insurance coverage is separate from, and in addition to, other coverage provided in NCUA's share insurance rules; and (3) imposes certain notice and disclosure requirements.

RECOMMENDED ACTION: Recommend the Board issue the final rule.

ATTACHMENT: Final rule.