

BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** August 23, 2010
FROM: Office of Corporate Credit Unions **SUBJ:** Proposed Rule –
Office of General Counsel Corporate Credit Unions
(12 C.F.R. Part 704)

ACTION REQUESTED: NCUA Board approval to issue the attached proposed rule, “Corporate Credit Unions,” with a 30-day comment period.

DATE ACTION REQUESTED: August 29, 2011.

OTHER OFFICES CONSULTED: Office of Examination and Insurance.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

BUDGET IMPACT, IF ANY: None.

RESPONSIBLE STAFF MEMBERS: Lisa Henderson, Staff Attorney, Office of General Counsel, and David Shetler, Deputy Director, Office of Corporate Credit Unions.

SUMMARY: The proposed rule contains technical amendments to Part 704, NCUA’s rule governing corporate credit unions. The amendments would: (1) delete the definition of “daily average net risk-weighted assets” in §704.2; (2) revise the definition of “net assets” in §704.2 to exclude Central Liquidity Facility stock subscriptions; (3) revise §704.6 to clarify certain requirements regarding investment action plans; (4) clarify the weighted average life (WAL) tests in §704.8; (5) revise the consequences of WAL violations in §704.8; (6) substitute the term “core capital” for the phrase “the sum of retained earnings and paid-in capital” in §704.18; (7) correct the heading of §704.19; and (8) correct a date contained in Model Form D of Appendix A to part 704.

As few comments are likely, staff recommends the proposed rule be issued with a 30-day comment period.

RECOMMENDED ACTION: That the NCUA Board issue the attached proposed rule with a 30-day comment period.

ATTACHMENT: Draft proposed rule.