

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: September 1, 2011

FROM: Office of General Counsel and
Office of Examination and Insurance

SUBJ: Final Rule – §§ 700, 701, 702,
and 741

ACTION REQUESTED: Board issuance of the attached final rule with an effective date of 30 days from the date of publication in the Federal Register.

DATE ACTION REQUESTED: September 22, 2011

OTHER OFFICES CONSULTED: All Regional Directors and Director of Examination and Insurance.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBER: Justin M. Anderson, Staff Attorney, Office of General Counsel and Karen Kelbly, Chief Accountant, Office of Examination and Insurance.

SUMMARY: The attached rule amends the definition of “net worth” as it appears in NCUA’s Prompt Corrective Action regulation and the definition of “equity ratio” as it appears in NCUA’s Requirements for Insurance regulation. These changes conform to recent statutory changes to the Federal Credit Union Act, which were made by Senate Bill 4036. The rule also makes technical changes in other regulations to ensure clarity and consistency in the use of the term “net worth,” as it is applied to federally-insured credit unions.

RECOMMENDED ACTION: Recommend the Board issue the final rule with an effective date of 30 days from the date of publication in the Federal Register.

ATTACHMENT: Draft Final Rule.