

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE:

FROM: Office of General Counsel
Office of Examination and Insurance

SUBJ: Notice of Proposed
Rulemaking – Loan Participations

ACTION REQUESTED: The NCUA Board's approval to publish a proposed rule with request for comments regarding the purchase of loan participations by federally insured credit unions.

DATE ACTION REQUESTED: December 15, 2011

OTHER OFFICES CONSULTED: All Regional Directors, Asset Management and Assistance Center, Office of Consumer Protection, Office of the Executive Director, Office of Minority & Women Inclusion, and Office of Small Credit Union Initiatives.

VIEWS OF OTHER OFFICES CONSULTED: Generally concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Linda Dent, Staff Attorney, Office of General Counsel; Matthew Biliouris, Director, and Vincent Vieten, Member Business Loan Program Officer, Office of Examination and Insurance.

SUMMARY: NCUA proposes to amend §701.22 and relevant provisions in §701.23 and §741.8 to address minimum requirements for the purchase and ongoing monitoring of loan participations. The agency also proposes to add a new §741.225 extending coverage of the rule to federally-insured state-chartered credit unions.

RECOMMENDED ACTION: Recommend the Board issue the proposed rule, with a 60-day comment period.

ATTACHMENT: Proposed Rule.