TO: NCUA Board                                      DATE: July 17, 2012
FROM: Office of General Counsel  SUBJ: Notice of Proposed
      Office of Examination and Insurance    Rulemaking – Access to
                          Emergency Liquidity

ACTION REQUESTED: Board approval to publish the attached notice of proposed
rulemaking (NPRM) in the Federal Register for a 60-day comment period.

DATE ACTION REQUESTED: July 24, 2012.

OTHER OFFICES CONSULTED: Regions, OCCU, OSCUI.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Owen Cole, Director, Division of Credit and
                           Capital Markets, Office of Examination and Insurance, and Lisa Henderson, Staff
                           Attorney, Office of General Counsel.

SUMMARY: The NCUA Board (Board) is requesting public comment on a proposed
regulation requiring federally insured credit unions (FICUs) with assets of $10 million or
more to have a contingency funding plan that clearly sets out strategies for addressing
liquidity shortfalls in emergency situations. The NPRM also requires FICUs with assets
of $100 million or more to have access to a backup federal liquidity source for
emergency situations. Finally, the NPRM requires FICUs with less than $10 million in
assets to maintain a basic written policy that provides a board-approved framework for
managing liquidity and a list of contingent liquidity sources that can be employed under
adverse circumstances. The NPRM follows an earlier Advance Notice of Proposed
Rulemaking requesting public comment on the scope and requirements of a regulation
regarding backup liquidity requirements. If promulgated, the regulation would be
codified at new §741.12, so as to apply uniformly to both federal and state-chartered
credit unions. The regulation would apply to natural person credit unions and corporate
credit unions.

RECOMMENDED ACTION: The NCUA Board issue the attached NPRM.

ATTACHMENT: NPRM.