BOARD ACTION MEMORANDUM

TO: NCUA Board
FROM: Office of General Counsel
SUBJ: Payday-Alternative Loans

DATE: August 17, 2012

12 C.F.R. §701.21

ACTION REQUESTED: Board issuance of the attached advance notice of proposed
rulemaking (ANPR) regarding the Payday-Alternative Loan (PAL) rule.


OTHER OFFICES CONSULTED: All Regions and Office of Examination and
Insurance.

VIEWS OF OTHER OFFICES CONSULTED: Pending.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBER: Frank Kressman, Associate General Counsel,
Office of General Counsel.

SUMMARY: The ANPR requests comment on ways to improve the PAL rule to
encourage more federal credit unions to offer PAL loans. The ANPR poses specific
questions on elements of the rule such as permissible interest rate, application fee, and
maturity, but also requests general comments on ways to improve the rule.

RECOMMENDED ACTION: Recommend the Board issue the ANPR with a 60-day
comment period.

ATTACHMENT: ANPR.