

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** October 9, 2012

**FROM:** Office of General Counsel

**SUBJ:** Proposed Rule – Low-Income Credit Unions, §701.34

**ACTION REQUESTED:** Board approval to issue the attached proposed rule regarding low-income credit unions.

**DATE ACTION REQUESTED:** October 18, 2012.

**OTHER OFFICES CONSULTED:** Regions, OCP, E&I, OSCUI.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** Pamela Yu, Staff Attorney, Office of General Counsel.

**SUMMARY:** The proposed rule amends the low-income credit unions regulation by extending the time credit unions have to accept a low-income designation. Under the current rule, an FCU that has received notification from NCUA that it qualifies for a low-income designation has 30 days to notify NCUA that it wishes to receive the designation. Some FCUs may find it difficult to respond this quickly, so the proposed rule extends the response period to 90 days. The proposed rule also makes minor, nonsubstantive technical amendments to NCUA's insurance regulation to reflect current agency practice in this regard.

**RECOMMENDED ACTION:** Board approval of the attached proposed rule.

**ATTACHMENT:** Proposed Rule.