

BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** January 28, 2014
FROM: Office of General Counsel **SUBJECT:** Part 710 - Notice of Proposed Rulemaking - Voluntary Liquidation

ACTION REQUESTED: Board issuance of the attached notice of proposed rulemaking (NPRM) with a 60-day public comment period.

DATE ACTION REQUESTED: February 20, 2014.

OTHER OFFICES CONSULTED: Regional Offices, E&I, OSCUI, and AMAC.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBER: Ian M. Marena, Trial Attorney, OGC.

SUMMARY: The NPRM would amend Part 710 of NCUA's regulations on Voluntary Liquidation. The NPRM applies to federal credit unions (FCUs) that seek to voluntarily liquidate and would reduce administrative burdens on FCUs and modernize the current rule by: (1) permitting liquidating FCUs to publish required creditor notices in either electronic media or newspapers of general circulation; (2) increasing the asset-size threshold for requiring multiple creditor notices; (3) specifying that preliminary partial distributions to members must not exceed insured account balances; (4) specifying when liquidating FCUs must determine member share balances for the purposes of distributions; and (5) permitting liquidating FCUs to distribute member share payouts either by wire or other electronic means or by mail or personal delivery.

RECOMMENDED ACTION: The Board issue the attached NPRM.

ATTACHMENT: NPRM.