

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: May 20, 2014

FROM: Office of General Counsel

SUBJ: Final Rule – Voluntary
Liquidation, Part 710

ACTION REQUESTED: Board approval to issue the attached final rule on voluntary liquidation.

DATE ACTION REQUESTED: June 19, 2014.

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

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Damon Frank and Ian Marenga, Trial Attorneys, Office of General Counsel.

SUMMARY: At its February 2014 meeting, the NCUA Board issued a proposed rule to amend part 710 of NCUA's regulations on voluntary liquidation. This final rule is largely unchanged from the proposal.

The final rule reduces administrative burdens on voluntarily liquidating federal credit unions (FCUs) and recognizes technological advances by: permitting liquidating FCUs to publish required creditor notices in either electronic media or newspapers of general circulation; increasing the asset-size threshold for requiring multiple creditor notices; requiring that preliminary partial distributions to members not exceed the National Credit Union Share Insurance Fund insurance limit for any member share account or accounts; specifying when liquidating FCUs must determine member share balances for the purposes of distributions; and permitting liquidating FCUs to distribute member share payouts either by wire or other electronic means or by mail or personal delivery.

The only change in the final rule from the proposed rule is a clarification to accurately reflect how NCUA calculates share insurance coverage for multiple accounts under part 745.

RECOMMENDED ACTION: Board approval to issue the final rule.

ATTACHMENT: Final rule.