



BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: December 10, 2014

FROM: Office of National Examinations
and Supervision

SUBJ: Part 702 Proposed Rule –
Capital Planning and Stress
Testing – Schedule Shift

ACTION REQUESTED: Board approval to issue the attached proposed rule.

DATE ACTION REQUESTED: January 15, 2015.

OTHER OFFICES CONSULTED: OGC.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Director Scott Hunt, Office of National Examinations and Supervision.

SUMMARY: The proposed rule amends the regulation governing credit union capital planning and stress testing by adjusting the timing of certain events in the planning and testing cycles.

One fundamental aspect of the stress testing process will occur on the date when NCUA releases the baseline, adverse, and severely adverse economic scenarios that will serve as the basis for the stress testing. NCUA plans to base its scenarios on those developed by the Federal Reserve, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively, the banking agencies) for their regulated institutions.

After the NCUA Board approved a final rule on capital planning and stress testing in April of 2014, the banking agencies subsequently changed their scenario release dates. The new schedule on which the banking agencies' scenarios will be published necessitates NCUA's modification of its stress testing schedule.

RECOMMENDED ACTION: The NCUA Board issue the attached proposed rule.

ATTACHMENT: Proposed rule.