

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: March 25, 2015

FROM: Office of National Examinations
and Supervision

SUBJ: Part 704 Proposed Rule –
Corporate Credit Unions

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

DATE ACTION REQUESTED: April 30, 2015.

OTHER OFFICES CONSULTED: Office of Examination and Insurance and Office of General Counsel.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

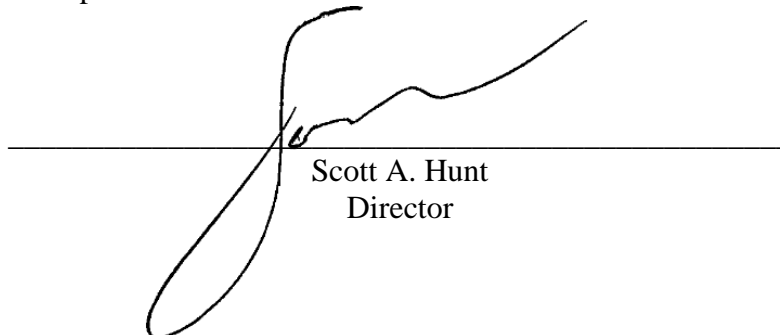
SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Supervision Analyst John Sozanski, Office of National Examinations and Supervision, Senior Staff Attorney Justin Anderson, Office of General Counsel, and Central Liquidity Facility President J. Owen Cole, Jr.

SUMMARY: In November 2014, the Board issued a proposed rule amending NCUA’s regulations governing corporate credit unions and the scope of their activities. Relevant to this rulemaking, commenters recommended there be an exclusion from the aggregate unsecured lending limit applicable to corporate credit unions for bridge loans made by corporate credit unions to member natural person credit unions that have been approved for a loan and are awaiting funding from the Central Liquidity Facility (CLF). Currently, only pass-through and guaranteed loans from the CLF and the National Credit Union Share Insurance Fund are excluded from corporate credit union lending limits. As CLF bridge loans would incur no credit risk, this proposal would also exclude these loans from the calculation of “net assets” and “net risk weighted assets” for determining minimum capital requirements for corporate credit unions.

RECOMMENDED ACTION: The NCUA Board issue the attached proposed rule with a 30-day comment period.

ATTACHMENT: Proposed rule.



Scott A. Hunt
Director