BOARD ACTION MEMORANDUM

TO: NCUA Board

FROM: Office of The Chief Economist

DATE: August 18, 2015

SUBJ: Regulatory Flexibility Act Definition of Small Entity; Proposed IRPS 15-1 & 12 C.F.R. § 791.8.

ACTION REQUESTED: Board approval of the attached final Rule and Interpretive Ruling and Policy Statement (IRPS).

DATE ACTION REQUESTED: September 17, 2015.

OTHER OFFICES CONSULTED: N/A.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

BUDGET IMPACT, IF ANY: No impact.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: N/A.

RESPONSIBLE STAFF MEMBERS: Acting Chief Economist Ralph Monaco, Economist Scott Borger, Lead Liquidations Counsel Kevin Tuininga.

SUMMARY: To update NCUA’s definition of the term “small entity” in the Regulatory Flexibility Act, staff recommends increasing the defining threshold to include federally insured credit unions (“FICUs”) with less than $100 million in assets. The increase from $50 million to $100 million will provide for thorough consideration of regulatory relief for FICUs below $100 million in assets in future rulemakings.

RECOMMENDED ACTION: Approve the attached Final Rule and IRPS 15-1.

ATTACHMENT: Final Rule and IRPS 15-1.

1 The RFA generally requires federal agencies to determine whether a proposed or final rule will have a significant economic impact on a substantial number of small entities and, if so, prepare an analysis that describes the proposed or final rule’s impact on small entities, including any significant alternatives that minimize the impact. 5 U.S.C. §§ 603, 604, & 605(b).