



BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** January 15, 2016
FROM: Office of Examination & Insurance **SUBJ:** Overhead Transfer Rate Methodology

ACTION REQUESTED: Board approval to publish in the *Federal Register* a Request for Comment on the methodology for determining the Overhead Transfer Rate.

DATE ACTION REQUESTED: January 21, 2016

OTHER OFFICES CONSULTED: Office of General Counsel

VIEWS OF OTHER OFFICES CONSULTED: Concur

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: N/A

RESPONSIBLE STAFF MEMBERS: Larry Fazio, Director, Office of Examination & Insurance, Russell Moore, Loss/Risk Analysis Officer, Office of Examination and Insurance

SUMMARY: The Overhead Transfer Rate represents insurance-related costs in the NCUA operating budget to be funded by the National Credit Union Share Insurance Fund. To facilitate comments, staff assembled and described the current methodology used to determine the Overhead Transfer Rate. The methodology described in the attached Request for Comment is the same methodology used at the Board's open meeting on November 19, 2015. This methodology has been in place since 2003.

As described during the November 19, 2015 open Board meeting, the attached Request for Comment is one of three items for which the Board is seeking public comment. The other two items include the Federal Credit Union Operating Fee methodology and the 2017-2021 Draft Strategic Plan. Under the comment process, the NCUA Board would analyze the comments and determine whether or not to adjust the methodology.

RECOMMENDED ACTION: Recommend the Board approve publication of the Request for Comment with a 90-day comment period

ATTACHMENT: Request for Comment