 BOARD ACTION MEMORANDUM

TO:      NCUA Board

FROM:    Office of General Counsel and
         Office of Examination and Insurance

DATE:    February 24, 2016

SUBJ:    Final Rule – FCU
         Investment and Deposit Activities, §703.14

ACTION REQUESTED: Board approval to issue the attached final rule regarding federal
credit union investment in bank notes.

DATE ACTION REQUESTED: March 24, 2016.

OTHER OFFICES CONSULTED: N/A.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: John Nilles, Senior Capital Markets Specialist, Office
of Examination and Insurance; Justin Anderson, Senior Staff Attorney, Office of General
Counsel.

SUMMARY: The final rule amends the maturity requirement for bank notes to be permissible
investments for federal credit unions by removing the word “original” from the current
requirement that bank notes have “original weighted average maturities of less than 5 years.”

RECOMMENDED ACTION: Board approval of the attached final rule.

ATTACHMENT: Final rule.