



National Credit Union Administration

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: July 19, 2017

FROM: Office of General Counsel

SUBJ: Notice of Proposed Rulemaking –
Part 741 -Requirements for Insurance;
National Credit Union Share Insurance
Fund Equity Distributions

ACTION REQUESTED: Board approval to issue the attached Notice of Proposed Rulemaking to amend part 741 to clarify the calculation methodology for NCUSIF equity distributions and to create a temporary provision to govern NCUSIF equity distributions related to the Corporate System Resolution Program.

DATE ACTION REQUESTED: July 20, 2017.

OTHER OFFICES CONSULTED: Office of Examination and Insurance; Office of the Chief Financial Officer.

VIEWS OF OTHER OFFICES CONSULTED: All offices concur.

BUDGET IMPACT, IF ANY: The Office of the Chief Financial Officer projects the budget impact to be between \$100,000 and \$350,000 depending on the specific calculation methodology.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBER: Benjamin M. Litchfield, Staff Attorney.

SUMMARY: The proposed rule amends NCUA's share insurance requirements rule, part 741, to provide FICUs with greater transparency regarding the calculation of a FICU's proportionate share of a declared NCUSIF equity distribution and to prohibit a FICU that terminates federal share insurance coverage from receiving an NCUSIF equity distribution for the calendar year in which it terminates federal share insurance. The proposed rule also adds a temporary provision to govern NCUSIF equity distributions related to the Corporate System Resolution Program.

RECOMMENDED ACTION: Recommend the Board issue the proposed rule for a comment period closing on September 5, 2017.

ATTACHMENT: Proposed rule.