



National Credit Union Administration
Office of General Counsel

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: July 10, 2019

FROM: Office of General Counsel

SUBJ: Proposed IRPS 19-1

ACTION REQUESTED: Board approval to issue the attached proposed Interpretive Ruling and Policy Statement (IRPS) regarding exceptions to employment restrictions under Section 205(d) of the Federal Credit Union (FCU) Act.

DATE ACTION REQUESTED: July 18, 2019.

OTHER OFFICES CONSULTED: None.

VIEWS OF OTHER OFFICES CONSULTED: N/A.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Pamela Yu, Special Counsel to the General Counsel.

SUMMARY: The proposal would update and revise the NCUA's Interpretive Ruling and Policy Statement (IRPS) regarding statutory prohibitions imposed by Section 205(d) of the FCU Act, 12 U.S.C. 1785(d)(1). Section 205(d) prohibits, except with the prior written consent of the Board, any person who has been convicted of any criminal offense involving dishonesty or breach of trust, or who has entered into a pretrial diversion or similar program in connection with a prosecution for such offense, from participating in the affairs of an insured credit union. Based on its experience with IRPS 08-1 since its issuance in 2008, the Board is proposing to rescind current IRPS 08-1 and to issue a revised and updated IRPS to reduce regulatory burden. The Board is proposing to amend and expand the current *de minimis* exception to reduce the scope and number of offenses that would require an application to the Board. Specifically, the proposed IRPS would not require an application for insufficient funds checks of aggregate moderate value, small dollar simple theft, false identification, simple drug possession, and isolated minor offenses committed by covered persons as young adults.

RECOMMENDED ACTION: Board approval of the attached proposed IRPS.

ATTACHMENT: Proposed IRPS 19-1.