



TO: NCUA Board

DATE: July 30, 2020

FROM: Office of Chief Financial Officer

SUBJ: Proposed Rule – Federal
Credit Union Operating Fees

ACTION REQUESTED: Board approval to issue the attached proposed rule.

DATE ACTION REQUESTED: July 30, 2020.

OTHER OFFICES CONSULTED: E&I, OGC.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Eugene Schied, Chief Financial Officer; James Holm, Supervisory Budget Analyst, Office of Chief Financial Officer; Ian Marena Associate General Counsel, and John Brolin, Senior Staff Attorney, Office of General Counsel.

SUMMARY: The proposed rule would amend the NCUA's regulation governing assessment of an annual operating fee to federal credit unions (FCUs). First, for purposes of calculating the annual operating fee, the proposed rule would amend the current rule to exclude from total assets any loan an FCU reports under the Small Business Administration's Paycheck Protection Program (PPP) or similar future programs the Board may decide to exclude. Second, the proposed rule would delete from the current regulation references to the Credit Union System Investment Program and the Credit Union Homeowners Affordability Relief Program, both of which no longer exist. Third, the proposed rule would amend the period used for the calculation of an FCU's total assets. Currently, total assets are calculated using the FCU's December 31st Call Report of the preceding year. Under the proposed rule, total assets would be calculated as the average total assets reported on the FCU's previous four Call Reports available at the time the NCUA Board approves the agency's budget for the upcoming year. The proposed rule would also make some minor changes to terminology and organization.

RECOMMENDED ACTION: Board approval of the attached proposed rule with a 60-day comment period.

ATTACHMENT: Proposed rule.