TO: NCUA Board  DATE: January 12, 2021

FROM: Office of General Counsel  SUBJ: Proposed rule: Credit Union Office of Examination and Insurance Service Organizations (CUSOs) (Part 712)

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

DATE ACTION REQUESTED: January 14, 2021

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: Jacob McCall, Policy Officer, Office of Examination and Insurance; Rachel Ackmann, Senior Staff Attorney, Office of General Counsel.

SUMMARY: The proposed rule would amend the NCUA’s regulation regarding CUSOs. The proposed rule would accomplish two objectives: (1) expanding the list of permissible activities and services for CUSOs to include originating any type of loan that a federal credit union (FCU) may originate; and (2) granting the Board additional flexibility to approve permissible activities and services outside of notice-and-comment rulemaking. The NCUA is also seeking comment on broadening FCU investment authority in CUSOs.

RECOMMENDED ACTION: NCUA Board approve the attached proposed rule.

ATTACHMENT: Proposed Rule.