



BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: December 11, 2013

FROM: Chief Financial Officer

SUBJ: FY 2014 Budget

ACTION REQUESTED: Board approval of the 2014 Temporary Corporate Credit Union Stabilization Fund Oversight Budget

DATE ACTION REQUESTED: December 12, 2013

OTHER OFFICES CONSULTED: Office of Examination and Insurance, Asset Management Assistance Center, and the Office of the General Counsel

VIEWS OF OTHER OFFICES CONSULTED: Concur

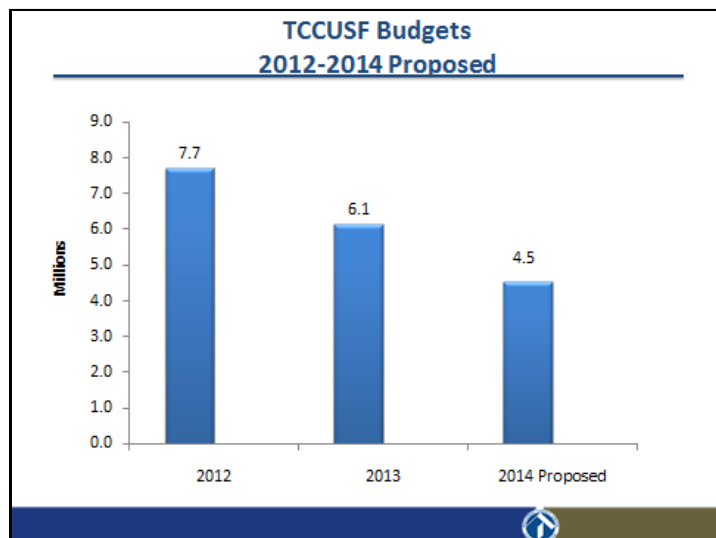
BUDGET IMPACT: Presented below

This action requests funding of \$4,525,000 as presented in attachment 1, for the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) 2014 budget. The 2014 budget represents a decrease of 26%, or \$1,620,000, from the 2013 budget of \$6,145,000.

The budget will be funded from the TCCUSF and will have no impact on the 2014 NCUA operating budget that was approved at the open Board meeting on November 21, 2013. Like the operating budget, the TCCUSF budget includes no net change in staffing.

The TCCUSF budget includes the costs of the NCUA Guaranteed Notes (NGN) Securities Management and Oversight Committee as well as costs incurred by other NCUA offices in support of the Corporate System Resolution Program.

Funding is needed for various expenses to fulfill Corporate System Resolution Program needs to include outside professional services such as external valuation experts, tax consultants, attorneys, financial specialists, and accountants. These experts are needed to assist NCUA with the following types of services:



- Valuing securities, which includes modeling forecasts of cash flows and credit losses;
- Processing complex accounting transactions and developing related policies and procedures;
- Preparing financial reports; and
- Supporting the TCCUSF financial statement audit.

There are unknown factors that may affect budgeted expenses. For instance, a significant deterioration in the residential mortgage credit markets could significantly increase the cost of performing security valuations. If any situations arise that would require additional funds, a supplemental request would be submitted to the Board. Conversely, should actual expenses be lower than the amount budgeted, funds would be returned the TCCUSF.

RECOMMENDED ACTION: It is recommended that the NCUA Board approve the following action:

The 2014 budget of \$4,525,000 and 5.0 Full Time Equivalents, as presented in attachment 1, for oversight of the Temporary Corporate Credit Union Stabilization Fund as required by the Corporate System Resolution Program.

Chief Financial Officer

Attachment

2014 TCCUSF OVERSIGHT BUDGET

By Cost Category	Budget			Full-Time Equivalents		
	2013	2014	Change	2013	2014	Change
Employee Pay and Benefits	\$ 760,000	\$ 961,500	\$ 201,500	5.00	5.00	0
Travel	35,000	62,000	27,000			
Administrative (Training)	0	30,000	30,000			
Contracted Services						
Consulting	2,935,000	1,334,500	(1,600,500)			
Valuation Services	1,500,000	1,350,000	(150,000)			
Software/Data Subscriptions	815,000	687,000	(128,000)			
Legal	100,000	100,000	0			
Total	\$ 6,145,000	\$ 4,525,000	\$ (1,620,000)	5.00	5.00	-