

Open Board Meeting

March 24, 2016

**NCUA Chairman Debbie Matz
Statement on Bank Notes Regulatory Relief—Final Rule**

In all the years I've served on the NCUA Board, a proposed rule has never become a final rule in less than six months. But today, we're voting on this final rule just five months after it was proposed. So thanks to all the staff involved in setting this new record for efficiency.

It's also important to remind stakeholders that this rule change is the result of a call to NCUA's Investment Hotline, which is staffed within the Office of Examination and Insurance. Anyone who has a question or a suggestion about permissible investments is encouraged to call the Investment Hotline toll-free at 800-755-5999.

In this case, a caller suggested that removing just one word from the investments rule would remove an unnecessary limit on federal credit union investments. When we looked into this suggestion, we found that the limit was not only unnecessary; it was unintended.

We truly appreciate anyone who takes the initiative to let us know about any unintended consequence of our rules, policies or procedures. I always encourage stakeholders to share ideas for changes that would not affect safety and soundness, but would enable credit unions to conduct their business more efficiently.

All stakeholders have the ability to provide input beyond the formal comment process. Anyone can access NCUA by phone, mail, or email, if not in person at public meetings.

In fact, many of the best regulatory modernization ideas have come from credit union officials. For example, it was a credit union manager who suggested using NCUA data to pre-approve low-income designations. And it was a credit union volunteer who suggested automating troubled debt restructuring to keep more members in their homes.

We are always willing to listen. Whenever possible—even if the rule in question is not up for review—we will move quickly to remove an unnecessary burden.

So even though we are planning to propose more comprehensive regulatory relief in our investments rule by the end of 2016—which could be finalized in 2017—there is no good reason to wait another year to finalize this single piece of regulatory relief on bank notes today.

Of course, other regulatory relief provisions we are considering for our investments rule will take more time, because they are more complex.

We are able to provide this first relief measure in record time because it is so simple, and all commenters support it.

This final rule will result in three benefits:

- Expand the bank note offerings available to federal credit unions;
- Lower the execution prices; and
- Diversify federal credit unions' investment portfolios.