



National Credit Union Administration
Office of General Counsel

BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE:** May 30, 2018
FROM: Office of General Counsel **SUBJ:** Part 701 Field of Membership

ACTION REQUESTED: Board approval to issue the attached Final Rule regarding Chartering and Field of Membership (FOM2).

DATE ACTION REQUESTED: June 21, 2018.

OTHER OFFICES CONSULTED: Office of Credit Union Resources and Expansion (CURE)

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: The Office of Credit Union Resources and Expansion has inherited several new staff relative to the Agency's 2018 realignment. Their staffing level will eventually decline through attrition. Those staff provide us flexibility in the near term with the potential increased workload under this rule. Moving forward, when we know the volume of activity and resources under the new rule, a determination of permanent resource and dollar budget impact will be known and budgeted accordingly.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Staff Attorney, Marvin Shaw and Martha Ninichuck, Director, Office of Credit Union Resources and Expansion.

SUMMARY: The final rule amends NCUA's regulations governing its chartering and field of membership rules with respect to applicants for a community charter approval, expansion or conversion. The Board will allow the option for an applicant to submit a narrative to establish the existence of a well-defined local community instead of limiting the applicant to a presumptive statistical community. Also, the Board will hold a public hearing for narrative applications where the proposed community exceeds a population of 2.5 million people. Further, for communities that are subdivided into metropolitan divisions, the Board will permit an applicant to designate a portion of the area as its community without regard to division boundaries.

RECOMMENDED ACTION: Recommend the Board approve publication of the Final Rule.

ATTACHMENT: Final Rule.