

**7535-01-U**

**NATIONAL CREDIT UNION ADMINISTRATION**

**12 CFR Parts 700, 701, 702, 704, 705, 707, 708a, 708b, 709, 717, 725, 740, 741, 747, 748, and 750**

**RIN 3133-AF22**

**Technical Amendments**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board (Board) is issuing a final rule to make technical amendments to various provisions of the NCUA's regulations. These technical amendments correct minor technical problems and improve clarity.

**DATES:** The final rule is effective on [insert date of publication in the FEDERAL REGISTER], except for the amendments to the final rule published at 80 FR 66626, which are effective on January 1, 2022.

**FOR FURTHER INFORMATION CONTACT:** Justin Anderson, Senior Staff Attorney; Gira Bose, Staff Attorney, Division of Regulations and Legislation, Office of General Counsel, at 1775 Duke Street, Alexandria, VA 22314 or telephone: (703) 518-6540.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

The Board periodically issues a technical amendments rule correcting minor typographical errors, inaccurate legal citations, or superfluous or outdated regulatory provisions throughout the NCUA's regulations. Because these changes are technical in nature, and do not affect federally insured credit unions in a substantive manner, the Board issues these technical amendments rules as final rules without notice and comment typically required by the Administrative Procedure Act (APA).<sup>1</sup> Accordingly, the Board is issuing this final rule to address those matters.

### **II. Legal Authority**

The Board has the legal authority to issue this final rule pursuant to its plenary rulemaking authority under the Federal Credit Union Act (FCU Act)<sup>2</sup> and its specific rulemaking authority under the various acts the Board administers.

### **III. Section-by-Section Analysis**

#### *General Wording, Style, and Cross-Reference Changes*

The final rule makes general wording, style, and cross-reference changes throughout the NCUA's regulations. For example, the final rule corrects various typographical errors. Technical amendments of this nature will apply throughout the NCUA's regulations. Therefore, the preamble does not address these types of stylistic changes in the section-by-section analysis below.

#### *Parts 700, 701, 702, 704, 705, 707, 708a, 708b, 709, 717, 725, 740, 741, 747, 748, and 750*

The final rule amends one of the definitions listed in § 700.2 of the NCUA's regulations that was erroneously changed. The definitions in Part 700 apply throughout chapter VII of title 12 of the

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<sup>1</sup> 5 U.S.C. 553(b)(A), (B).

<sup>2</sup> 12 U.S.C. 1766, 1789.

Code of Federal Regulations “unless the context indicates otherwise.”<sup>3</sup> A “Noninsured credit union” is currently defined by regulation as “a credit union chartered under the laws of any State, the District of Columbia, the several territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, whose member accounts are not insured by NCUA.” This term mirrors the Federal Credit Union Act definition.<sup>4</sup> A final technical amendments rule issued in 2018 amended several references to “Non-federally insured credit unions” changing them to “Noninsured credit unions.” Although this change conformed the regulatory definition to the statutory definition, it also inadvertently created internal inconsistencies in the regulations and created unintended confusion and consequences. The Board has determined that the erroneous technical amendment issued in 2018 needs to be reversed to correct the inadvertent regulatory inconsistencies. This will restore clarity that the term “Non-federally insured credit unions,” consistent with the Federal Credit Union Act, includes credit unions whose member accounts are insured by agencies or entities other than the NCUA, such as state or private share insurers, as well as credit unions whose member accounts are not insured by any party. Accordingly, the final rule makes this change in § 700.2 and in other parts where the term “Noninsured credit union” currently appears—parts 704, 705, 708b, and 740.

*Section 701.34 Designation of low income status; Acceptance of secondary capital accounts by low-income designated credit unions*

Section 701.34(a)(6) provides the definition of “median family income” and “total median earnings for individuals” by referring to data from the Census Bureau. The current definition points to the Census Bureau’s American FactFinder site with a specific hyperlink. The Census Bureau no longer houses this data at that specific site. Accordingly, this final rule replaces the “FactFinder” reference with “American Community Survey” and provides a more general link to the Census

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<sup>3</sup> 12 CFR 700.2.

<sup>4</sup> 12 U.S.C. 1752(7).

Bureau’s website. This change is not intended to alter the reliance on Census Bureau data for these statistics.

#### *Appendix B to Part 701 – Chartering and Field of Membership Manual*

The final rule amends certain provisions to update the NCUA office responsible for a certain activity. For instance, the Office of Credit Union Resources and Expansion (CURE) has replaced the Regional Office as the responsible office at Chapter 1, Section III. The final rule also updates references to the Regional Offices to reflect the agency’s realignment that was finalized in 2019, as well as an update to the name of one of the credit union trade associations noted in the Chartering Manual.

#### *Part 702 –Capital Adequacy*

In addition to typographical corrections, the final rule amends this part by correcting amendatory instructions from the 2015 final rule on risk-based capital<sup>5</sup> to ensure that cross-references to other provisions that the Board has since been amended will be correctly reflected in this part when the 2015 final rule goes into effect, as it is scheduled to do on January 1, 2022.<sup>6</sup> These amendments do not make any substantive change to the 2015 final rule.

#### *Part 704 – Corporate Credit Union*

Throughout Part 704, corporate credit unions are frequently referred to as “corporates.” The final rule amends several sections in this part to replace “corporate” or “corporates” with “corporate credit union” or “corporate credit unions” to avoid confusion and to be more precise.

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<sup>5</sup> 80 FR 66626 (Oct. 29, 2015).

<sup>6</sup> See 84 FR 68781 (Dec. 17, 2019).

In addition, a reference to “notational principal balance” has been corrected to “notional principal balance.”

#### *Part 707 – Truth in Savings*

This final rule makes a notable change relating to the model clauses and forms in appendix B to this part, which addresses Truth in Savings. Specifically, appendix B refers several times to a chart of accounts in a specific section of the NCUA’s Accounting Manual for Federal Credit Unions. This publication no longer contains this chart of accounts, but this chart served as the model for the sample forms. Accordingly, the final rule adds a statement to this effect in the prefatory language to this appendix to avoid confusion for those referring to the current version of the Accounting Manual.

In addition, the final rule redesignates several paragraphs in appendix C to this part to correct duplicate paragraph numbering that resulted from prior amendments. This change does not affect or add to the substance of these provisions. The final rule will also correct minor wording or typographical errors.

#### *Part 708a – Bank Conversions and Mergers*

Section 708a.304 addresses the notice that a credit union must file with the NCUA within 30 days of its board adopting a proposal to merge. This provision refers to an asset threshold set by the Federal Trade Commission (FTC) under the Hart-Scott Rodino Act that triggers a premerger notification to the FTC. The threshold amount listed in the current regulation is outdated. Because the FTC will continue to update this threshold, removing the specific dollar amount from this regulation will help to avoid confusion or alternatively, the need for the NCUA to update its regulation each time the FTC updates the threshold. Credit unions should refer to the FTC’s announcements of the threshold amounts on that agency’s website and in the Federal Register.

*Part 747 - Administrative Actions, Adjudicative Hearings, Rules of Practice and Procedure, and Investigations*

The final rule makes two notable clarifications and updates to this part. In § 747.0, which sets forth the scope of this part, the final rule adds a defined term for the Uniform Rules when that subject is first discussed in order to provide clarity. In § 747.207, which addresses notices of termination of insured status, the final rule updates a reference to the standard maximum share insurance amount from \$100,000 to \$250,000 to reflect the statutory change that Congress enacted in 2010.<sup>7</sup>

The final rule also makes technical corrections elsewhere in this part.

#### **IV. Regulatory Procedures**

*Administrative Procedure Act*

Generally, the APA requires a federal agency to provide the public with notice and an opportunity to comment on agency rulemakings.<sup>8</sup> The APA, however, creates an exception in cases where an agency for good cause determines “that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”<sup>9</sup> Because all of the changes in this final rule involve only minor, technical amendments to the NCUA’s existing regulations, the Board has determined that notice and comment would be unnecessary and contrary to the public interest.

Furthermore, the APA generally provides that a final rule may not become effective until at least 30 days after its publication in the Federal Register unless the agency determines that good cause exists to dispense with this requirement.<sup>10</sup> As noted above, given that the rule does not

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<sup>7</sup> Pub. L. 111-203, sec. 335(b).

<sup>8</sup> 5 U.S.C. 553(b).

<sup>9</sup> *Id.* at 553(b)(B).

<sup>10</sup> 5 U.S.C. 553(d). For the same reasons, the Board is not providing the usual 60-day comment period before finalizing this rule. See NCUA Interpretive Ruling and Policy Statement (IRPS) 87-2, as amended by IRPS 03-2 and IRPS 15-1. 80 FR 57512 (Sept. 24, 2015), available at <https://www.ncua.gov/files/publications/irps/IRPS1987-2.pdf>.

impose new requirements on federally insured credit unions and only involves minor, technical amendments to existing regulations, the Board finds sufficient good cause exists to dispense with the 30-day effective date requirement. The rule will, therefore, be effective immediately upon publication.

### *Regulatory Flexibility Act*

The Regulatory Flexibility Act requires the NCUA to prepare an analysis of any significant economic impact a regulation may have on a substantial number of small entities (primarily those under \$100 million in assets).<sup>11</sup> As discussed previously, consistent with the APA,<sup>12</sup> the Board has determined for good cause that general notice and opportunity for public comment is unnecessary, and therefore the Board is not issuing a notice of proposed rulemaking. Rules that are exempt from notice and comment procedures are also exempt from the RFA requirements, including conducting a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Accordingly, the Board has concluded that the RFA's requirements relating to initial and final regulatory flexibility analysis do not apply.

### *Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (PRA) applies to rulemakings in which an agency by rule creates a new paperwork burden on regulated entities or increases an existing burden.<sup>13</sup> For purposes of the PRA, a paperwork burden may take the form of a reporting or recordkeeping requirement, both referred to as information collections. As the final rule makes only minor,

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<sup>11</sup> 5 U.S.C. 601 – 612.

<sup>12</sup> 5 U.S.C. 553(b)(3)(B).

<sup>13</sup> 44 U.S.C 3501 – 3521.

technical amendments to the NCUA's existing regulations, the NCUA has determined it does not increase paperwork requirements under the PRA.

#### *Small Business Regulatory Enforcement Fairness Act*

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) provides generally for congressional review of agency rules.<sup>14</sup> A reporting requirement is triggered in instances where the NCUA issues a "final rule" as defined by statute.<sup>15</sup> As required by SBREFA, the NCUA has submitted this rule to the Office of Management and Budget for it to determine if the final rule is a "major rule" for purposes of SBREFA. The NCUA does not believe the rule is major.

#### *Assessment of Federal Regulations and Policies on Families.*

The NCUA has determined that this rule will not affect family well-being within the meaning of § 654 of the Treasury and General Government Appropriations Act.<sup>16</sup>

#### *Executive Order 13132*

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.<sup>17</sup> The NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The final rule does not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. The NCUA has therefore determined that this final rule does not constitute a policy that has federalism implications for purposes of the executive order.

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<sup>14</sup> 5 U.S.C. 801 – 808.

<sup>15</sup> 5 U.S.C. 551, 804.

<sup>16</sup> Pub. L. 105-277, sec. 654, 112 Stat. 2681, 2681-528 (1998).

<sup>17</sup> "Federalism," E.O. 13,132 (Aug. 10, 1999).



## **List of Subjects**

### **12 CFR Part 700**

Credit unions.

### **12 CFR Part 701**

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

### **12 CFR Part 702**

Credit unions, Reporting and recordkeeping requirements.

### **12 CFR Part 704**

Credit unions, Reporting and recordkeeping requirements, Surety bonds.

### **12 CFR Part 705**

Credit unions, loans, grants, revolving fund, community programs, low income.

**12 CFR Part 707**

Advertising, credit unions, Reporting and recordkeeping requirements, truth in lending

**12 CFR Part 708a**

Credit unions, Reporting and recordkeeping requirements.

**12 CFR Part 708b**

Bank deposit insurance, Credit unions, Reporting and recordkeeping requirements.

**12 CFR Part 709**

Claims, Credit unions.

**12 CFR Part 717**

Consumer protection, Credit unions, Information, Privacy, Reporting and recordkeeping requirements.

**12 CFR Part 725**

Central Liquidity Facility.

**12 CFR Part 740**

Advertisements, Credit unions, Share insurance, Signs and symbols

**12 CFR Part 741**

Bank deposit insurance, Credit unions, Reporting and recordkeeping requirements

**12 CFR Part 747**

Administrative practice and procedure, Bank deposit insurance, Claims, Credit unions, Crime, Equal access to justice, Investigations, Lawyers, Penalties.

**12 CFR Part 748**

Credit unions, Reporting and recordkeeping requirements, Security measures.

**12 CFR Part 750**

Credit unions, Golden parachute payments, Indemnity payments.

By the National Credit Union Administration Board on June 25, 2020.

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Gerard Poliquin  
Secretary of the Board

For the reasons discussed above, the Board is amending 12 CFR parts 700, 701, 702, 704, 705, 707, 708a, 708b, 709, 717, 725, 740, 741, 747, 748, and 750 as follows:

**PART 700 – DEFINITIONS**

1. The authority citation for part 700 continues to read as follows:

**Authority:** 12 U.S.C. 1752, 1757(6), 1766.

2. Amend § 700.2 to read by replacing the definition of “Noninsured credit union” with the definition of “Non-federally insured credit union to read as follows:

**§ 700.2 Definitions**

\* \* \* \* \*

*Non-federally insured credit union* means a credit union chartered under the laws of any State, the District of Columbia, the several territories and possessions of the United States, the Panama Canal Zone, or the Commonwealth of Puerto Rico, whose member accounts are not insured by the NCUA.

\* \* \* \* \*

**PART 701 – ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS**

3. The authority citation for part 701 continues to read as follows:

**Authority:** 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1786, 1787, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also

authorized by 15 U.S.C. 1601 et seq.; 42 U.S.C. 1981 and 3601-3610. Section 701.35 is also authorized by 42 U.S.C. 4311-4312.

4. In § 701.21(d)(5)(iii), remove the extra spaces between the words “official” and “shall”.

5. In § 701.22(e), amend the cross reference after the words “Notwithstanding paragraph” to read as follows: (b)(5)(ii).

6. Revise § 701.34(a)(6) to read as follows:

\* \* \* \* \*

(6) *Definitions.* The following definitions apply to this section:

*Median family income* and *total median earnings for individuals* are income statistics reported by the U.S. Census Bureau. The applicable income data can be obtained via the American Community Survey on the Census Bureau's webpage at <http://www.census.gov>.

*Metropolitan area* means an area designated by the Office of Management and Budget pursuant to 31 U.S.C. 1104(d), 44 U.S.C. 3504(c), and Executive Order 10253, 16 FR 5605 (June 13, 1951) (as amended).

\* \* \* \* \*

7. Amend Appendix B to part 701 as follows:

a. Revise the first sentence of the second paragraph of Section III of Chapter 1 titled

“Subscribers” to read as follows:

**III - SUBSCRIBERS**

\* \* \* \* \*

Persons interested in organizing a federal credit union should contact one of the credit union trade associations or the NCUA Office of Credit Union Resources and Expansion.

\* \* \*

\* \* \* \* \*

b. Revise Appendix 3, titled “NCUA Offices” to read as follows:

**APPENDIX 3**  
**NCUA OFFICES**

**OFFICE OF CREDIT UNION RESOURCES AND EXPANSION (CURE)**

1775 Duke Street  
Alexandria, VA 22314-3428

Phone: 703-518-1150  
Fax: 703-518-6672  
EMAIL: [DCAMail@NCUA.GOV](mailto:DCAMail@NCUA.GOV)

The Divisions of Consumer Access (East, Central, and West) within CURE share the responsibility for chartering and field-of-membership matters, low-income designations, charter conversions, and bylaw amendments.

**EASTERN REGION – ALEXANDRIA**

1775 Duke Street  
Alexandria, VA 22314-3428

Phone: 703-519-4600  
Fax: 703-519-6674  
EMAIL: EasternMail@NCUA.GOV

States in the Eastern Region include: Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

**SOUTHERN REGION – AUSTIN**

4807 Spicewood Springs Road, Suite 5200  
Austin, TX 78759-8490

Phone: 512-342-5600  
Fax: 512-342-5620  
EMAIL: [SouthernMail@NCUA.GOV](mailto:SouthernMail@NCUA.GOV)

States in the Southern Region include: Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Oklahoma, Tennessee, and Texas, as well as Puerto Rico and the U.S. Virgin Islands.

**WESTERN REGION – TEMPE**

1230 West Washington Street, Suite 301  
Tempe, AZ 85281

Phone: 602-302-6000

Fax: 602-302-6024  
EMAIL: [WesternMail@NCUA.GOV](mailto:WesternMail@NCUA.GOV)

States in the Western Region include: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Nevada, Oregon, South Dakota, Utah, Washington, Wisconsin, and Wyoming, as well as Guam.

c. Revise Appendix 5, titled "Trade Associations" to read as follows:

<b>APPENDIX 5</b> <b>TRADE ASSOCIATIONS</b>
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**Credit Union National Association (CUNA)**

[www.cuna.org](http://www.cuna.org)

P.O. Box 431  
Madison, WI  
53701 800-  
356-9655

**National Association of Federally-Insured Credit Unions (NAFCU)**

[www.nafcu.org](http://www.nafcu.org)

3138 N. 10th Street, Suite 300  
Arlington, VA 22201-2149  
800-336-4644

**National Association of State Credit Union Supervisors (NASCUS)**

[www.nascus.org](http://www.nascus.org)

1655 North Fort Myer  
Drive Suite 650  
Arlington, VA 22209  
703-528-8351

**Inclusiv**

<https://www.inclusiv.org/>



39 Broadway, Suite  
2140 New York, NY  
10006-3063 212-809-  
1850

## **PART 702 – CAPITAL ADEQUACY**

8. The authority citation continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1790d.

9. In current § 702.306(a)(1)(i), remove the word “the-present” and add, in its place, “then-present”.

10. In the final rule, entitled “Risk-Based Capital,” beginning on page 66626 of the Federal Register of Thursday, October 29, 2015, revise § 702.1(a) by replacing the phrase “12 U.S.C. 1776” with the phrase “12 U.S.C. 1766”.

11. In the final rule, entitled “Risk-Based Capital,” beginning on page 66626 of the Federal Register of Thursday, October 29, 2015, remove instruction 11 in the left column of page 66722.

12. In the final rule, entitled “Risk-Based Capital,” beginning on page 66626 of the Federal Register of Thursday, October 29, 2015, revise instruction 12 in the left column of page 66722 to read as follows: “Amend newly redesignated § 702.305(b)(4) by removing the citation “§ 702.504” and adding, in its place “§ 702.304”.

**PART 703 – INVESTMENT AND DEPOSIT ACTIVITIES**

13. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1757(7), 1757(8), 1757(15).

14. Revise § 703.14(k) to read as follows:

\* \* \* \* \*

(k) *Derivatives.* A Federal credit union may only enter into the following derivatives transactions:

\* \* \*

15. In § 703.112(a), remove the word “fесcribed” and add, in its place, “described”.

**PART 704 – CORPORATE CREDIT UNIONS**

16. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1781, 1789.

17. In the second sentence of § 704.1(a) remove “Noninsured corporate credit unions” and add, in its place, “Non-federally insured corporate credit unions”.

18. Amend § 704.4 by adding the words “credit union” after “corporate” in the last sentence of paragraph (e)(1)(ii)(5).

19. Amend § 704.5 by adding the words “credit union” after “corporate” in the last sentence of paragraph (e)(4).

20. Amend § 704.6 by adding the words “credit union” after the second use of the word “corporate” in paragraph (f)(2).

21. Revise § 704.8 to read as follows:

**§704.8 Asset and liability management.**

\* \* \* \* \*

(j) *Limit breaches.* (1)(i) If a corporate credit union's decline in NEV, base case NEV ratio, or any NEV ratio calculated under paragraph (d) of this section exceeds established or permitted limits, or the corporate credit union is unable to satisfy the tests in paragraphs (f) or (g) of this section, the operating management of the corporate credit union must immediately report this information to its board of directors and ALCO; and

(ii) If the corporate credit union cannot adjust its balance sheet to meet the requirements of paragraphs (d), (f), or (g) of this section within 10 calendar days after detection by the corporate credit union, the corporate credit union must notify in writing the Director of the Office of National Examinations and Supervision.

\* \* \*

\* \* \* \* \*

(k) *Overall limit on business generated from individual credit unions.* On or after April 22, 2013, a corporate credit union is prohibited from accepting from any member, or any nonmember credit union, any investment, including shares, loans, PCC, or NCAs if, following that investment, the aggregate of all investments from that entity in the corporate credit union would exceed 15 percent of the corporate credit union's moving daily average net assets.

22. Amend § 704.11 as follows:

a. Add the words “credit union” after the second use of the word “corporate” in the last sentence of paragraph (b)(2);

b. Add the words “credit union” after “corporate” in the first sentence of paragraph (b)(3);

c. Add the word “from” between the words “activity” and “the” in paragraph (e)(2);

d. Revise paragraph (g)(7) to read as follows:

(g) \* \* \*

(7) Will inform the corporate credit union, at least quarterly, of all the compensation paid by the CUSO to its employees who are also employees of the corporate credit union; and

\* \* \*

\* \* \* \* \*

23. Revise § 704.14(a) to read as follows:

**§704.14 Representation.**

(a) \* \* \*

(4) No individual may be elected or appointed to serve on the board if, after such election or appointment, any member of the corporate credit union would have more than one representative on the board of the corporate credit union;

\* \* \*

(8) In the case of a corporate credit union whose membership is composed of more than 25 percent non-credit unions, the majority of directors serving as representatives of member credit unions, including the chair, must be elected only by member credit unions; and

\* \* \*

24. Revise § 704.19(a) to read as follows:

**§704.19 Disclosure of executive compensation.**

(a) *Annual disclosure.* A corporate credit union must annually prepare and maintain a disclosure of the dollar amount of compensation paid to its most highly compensated employees, including compensation from any corporate CUSO in which the corporate credit union has invested or made a loan, in accordance with the following schedule:

\* \* \*

\* \* \* \* \*

25. Insert new § 704.20 to read as follows:

**§704.20 [RESERVED].**

26. Revise 704.22(b) to read as follows:

**§704.22 Membership fees.**

\* \* \* \* \*

(b) The corporate credit union must calculate the fee uniformly for all members as a percentage of each member's assets, except that the corporate credit union may reduce the amount of the fee for members that have contributed capital to the corporate credit union. Any reduction must be proportional to the amount of the member's nondepleted contributed capital.

\* \* \* \* \*

27. Amend Appendix A to part 704 as follows:

a. In Part I, add the words “credit union” between the words “corporate” and “on” in the first sentence;

b. In Part I, add the words “credit union” between the words “corporate” and “before” in the first sentence;

c. In Part II, Model Form C, add the words “credit union” after the word “corporate” in the second sentence of paragraph (3).

d. In Part II, Model Form D, add the words “credit union” after the word “corporate” in the second sentence of paragraph (3).

28. Amend Appendix B to part 704 as follows:

a. In paragraph titled “Base-Plus”, add the words “credit union” after the word “corporate”;

b. In Part III, revise paragraph (b)(1) by removing the word “corporate’s” and adding, in its place, “corporate credit union’s”;

c. In Part III, add the words “credit union” between the words “corporate” and “must” in paragraph (b)(2);

d. In Part III, revise paragraph (b)(2) by removing the word “corporate’s” and adding, in its place, “corporate credit union’s”;

e. In Part III, add the words “credit union” after the word “corporate” in paragraph (b)(3);

f. In Part III, add the words “credit union” between the words “corporate” and “must” in paragraph (b)(4);

g. In Part III, revise paragraph (b)(4) by removing the word “corporate’s” and adding, in its place, “corporate credit union’s”;

29. Amend Appendix C to part 704 as follows:

a. Revise Part I, paragraph (b) to read as follows:

\* \* \* \* \*

(b) Definitions

\* \* \* \* \*

*Face amount* means the notional principal, or face value, amount of an off-balance sheet item or the amortized cost of an on-balance sheet asset.

\* \* \* \* \*

*Qualifying mortgage loan* means a loan that:

(1) \* \* \*

(2) Is underwritten in accordance with prudent underwriting standards, including standards relating to the ratio of the loan amount to the value of the property (LTV ratio),



as presented in the *Interagency Guidelines for Real Estate Lending Policies*, 57 FR 62890 (December 31, 1992). A nonqualifying mortgage loan that is paid down to an appropriate LTV ratio (calculated using value at origination, appraisal obtained within the prior six months, or updated value using an automated valuation model) may become a qualifying loan if it meets all other requirements of this definition;

\* \* \*

\* \* \* \* \*

b. In Part II, paragraph (a)(6), in the first sentence, remove the word “corporate’s” and add, in its place, “corporate credit union’s”;

c. In Part II, paragraph (b)(2)(ii), in the last sentence, remove the word “or” and add, in its place, the word “of”; and

d. In Part II, paragraph (c)(3)(i), in the last sentence, remove the word “corporate’s” and add, in its place, “corporate credit union’s”.

**PART 705 – COMMUNITY DEVELOPMENT REVOLVING LOAN FUND**  
**ACCESS FOR CREDIT UNIONS**

30. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1756, 1757(5)(D), and (7)(I), 1766, 1782, 1784, 1785 and 1786.

31. In §§ 705.2 and 705.7(b)(3) replace the phrase “noninsured credit union”, wherever such phrase is found, with the phrase “Non-federally insured credit union”.

## **PART 707 – TRUTH IN SAVINGS**

32. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 4311.

33. Amend Appendix B to part 707 as follows:

a. Add the following at the end of the last paragraph of the prefatory language that begins with the phrase “Any references to NCUA Rules”:

Note also that certain information that appeared in previous versions of the *NCUA Accounting Manual for FCUs* that served as a model for this appendix do not appear in the current version of that publication.

b. In B-6 SAMPLE FORM (REGULAR SHARE ACCOUNT DISCLOSURES), amend the note at the end of this form by replacing the word “Nonfederally” as it appears in the eleventh sentence with the word “Non-federally”,

c. In B-9 “Sample Form (TERM SHARE (CERTIFICATE) ACCOUNT DISCLOSURES)” make the following amendments:

i. In paragraph 3, replace the word “minium” in the first non-italicized sentence with the word “minimum”; and

ii. In the “NOTE” appearing at the end of this form, in the first sentence, replace the word “if” with the word “is”.

34. Amend Appendix C to part 707 as follows:

a. In Section 707.2, paragraph (i)(4)(i), revise paragraph D. by adding the word “at” between the words “and” and “the” in the first sentence;

b. In Section 707.2, paragraph (z)(2), in the first sentence, replace the word “ccounts” with the word “accounts”;

c. In Section 707.4, paragraph (a)(2)(i)(2), in the first sentence, remove the word “member’s” each time it appears and add, in its place, “members”;

d. In Section 707.4, paragraph (b)(6)(ii)(2)(i) add the word “as” between the words “such” and “a”;

e. In Section 707.7, paragraph (a)(2), in the subject heading, replace the word “To” with the word “to”;

f. In Section 707.9, paragraph (c)(1)(ii), add the word “of” between the words “type” and “account”;

g. In Section 707.11, paragraph (a)(1), redesignate the second section numbered (a)(1)(1) as (a)(1)(2); and

h. In Section 707.11, paragraph (a)(1), redesignate sections (a)(1)(2) through (a)(1)(6) as (a)(1)(3) through (a)(1)(7).

**PART 708a – BANK CONVERSIONS AND MERGERS**

35. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1785(b), 1785(c).

36. In §708a.304(a)(13), remove the words “currently \$63.4 million,”;

**PART 708b - MERGERS OF INSURED CREDIT UNIONS INTO OTHER CREDIT UNIONS; VOLUNTARY TERMINATION OR CONVERSION OF INSURED STATUS**

37. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1752(7), 1766, 1785, 1786, 1789.

38. In paragraph (a) replace the word “partprescribes” with the phrase “part prescribes”.

39. In paragraph (b) replace the word “partprescribes” with the phrase “part prescribes”.

40. In paragraph (d) replace the word “partrestricts” with the phrase “part restricts”.

41. In part 708b, replace the phrases “nonfederal”, “noninsured”, “noninsured credit union”, and “noninsured state credit union” with the phrases “non-federal”, “non-federally insured”, “Non-federally insured credit union”, and “Non-federally insured credit union” respectively.

42. In § 708b.205(c), remove the word “state” and add, in its place, “state-chartered”;

**PART 709 - INVOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS AND ADJUDICATION OF CREDITOR CLAIMS INVOLVING FEDERALLY INSURED CREDIT UNIONS IN LIQUIDATION**

43. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1757, 1766, 1767, 1786(h), 1786(t), and 1787(b)(4), 1788, 1789, 1789a.

44. In § 709.8(f), in the first sentence, add the word “is” between the words “request” and “filed”;

45. In § 709.9(b)(5)(ii)(B), in the last sentence, remove the word “all” where it appears after the word “existing”;

**PART 717 – FAIR CREDIT REPORTING**

46. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1789; 15 U.S.C. 1681m(e).

47. In § 717.82(a), add the word “a” between words “is” and “federal”;

**PART 725 – NATIONAL CREDIT UNION ADMINISTRATION CENTRAL LIQUIDITY FACILITY**

48. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1795f(a)(2).

49. Amend § 725.4 as follows:

a. In paragraph (b)(4), add the word “the” between the words “of” and “Facility”;

b. In paragraph (e), capitalize the word “agent” in the first sentence;

50. In § 725.18(c), in the first sentence, add a closing quotation mark after the word “insolvency”;

**PART 740 – ACCURACY OF ADVERTISING AND NOTICE OF INSURED STATUS**

51. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1781, 1785, and 1789.

52. Throughout Part 740, replace the term “nonfederally” with the term “Non-federally” wherever such term appears

53. Revise § 740.5(c)(6) to read as follows:

(c) \* \* \*

(6) Joint or group advertisements of credit union services where the names of federally insured credit unions and Non-federally insured credit unions are listed and form a part of such advertisement;

\* \* \*

\* \* \* \* \*

## **PART 741 – REQUIREMENTS FOR INSURANCE**

54. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1757, 1766(a), 1781-1790, and 1790d; 31 U.S.C. 3717.

55. In §§ 741.4(i)(2) and 741.4(j)(1) replace the word “nonfederally” with the word “non-federally”.

56. In § 741.204(c), add the word “union” after the word “credit” in the first sentence the first time that word appears;

## **PART 747 - ADMINISTRATIVE ACTIONS, ADJUDICATIVE HEARINGS, RULES OF PRACTICE AND PROCEDURE, AND INVESTIGATIONS**

57. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1782, 1784, 1785, 1786, 1787, 1790a, 1790d; 15 U.S.C. 1639e; 42 U.S.C. 4012a; Pub. L. 101-410; Pub. L. 104-134; Pub. L. 109-351; Pub. L. 114-74.

58. In § 747.0, in the second sentence, add the words “(Uniform Rules)” after the words “uniform rules of practice and procedure”;

59. In § 747.29(a)(2), remove the word “part” and add, in its place, the word “party”;

60. In § 747.207, paragraph 3, remove “\$100,000” and add, in its place, “\$250,000”;

61. In § 747.306(b), in the first sentence, remove the words “state with” the second time they appear;

62. In § 747.402(b), remove the word “or” between the words “dissipation” and “credit” and add, in its place, the word “of”;

**PART 748 - SECURITY PROGRAM, REPORT OF SUSPECTED CRIMES,  
SUSPICIOUS TRANSACTIONS, CATASTROPHIC ACTS AND BANK  
SECRECY ACT COMPLIANCE**

63. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1786(q); 15 U.S.C. 6801-6809; 31 U.S.C. 5311 and 5318.

64. Amend Appendix B to part 748 as follows:

a. In footnote 34, remove the word “identify” and add, in its place, the word “identity”;

b. In footnote 39, remove the word “Suspicious” and add, in its place, the word “Suspicious”;

c. In footnote 39, remove the word “Issues” and add, in its place, the word “Issues”;

**PART 750 – GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS**

65. The authority citation for this part continues to read as follows:

**Authority:** 12 U.S.C. 1786(t).



66. In § 750.5(a)(3), add a space between the word “in” and “§750.1(j)”; and

67. In In § 750.6(a), in the first sentence, add a space between the word “to” and “§750.1(d)(2)(v)”.