

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** April 16, 2008

**FROM:** Office of General Counsel

**SUBJ:** Notice of Proposed  
Rulemaking – Parts 701 & 705

**ACTION REQUESTED:** NCUA Board's approval of notice of proposed rulemaking to use median family income to determine if a federal credit union (FCU) qualifies for low-income designation and assistance from the Community Development Revolving Loan Fund (CDRLF). 12 C.F.R. Parts 701, 705.

**DATE ACTION REQUESTED:** April 17, 2008.

**OTHER OFFICES CONSULTED:** All Regional Offices, Office of Examination and Insurance, Office of Corporate Credit Unions, and Office of Small Credit Union Initiatives.

**VIEWS OF OFFICES CONSULTED:** Concurred.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** None.

**RESPONSIBLE STAFF MEMBERS:** Moissette I. Green, Staff Attorney, Office of General Counsel.

**SUMMARY:** NCUA proposes revising the definition of "low-income members" to use median family income to determine if a credit union qualifies for a low-income designation and assistance from the CDRLF. The proposed rule will eliminate the confusion associated with adjusting median household income in metropolitan areas with higher costs of living. Additionally, it will better align NCUA criteria for a low-income designation with the criteria for the addition of an underserved area to an FCU field of membership and for certification as a Community Development Financial Institution.

**RECOMMENDED ACTION:** Recommend the Board approve and issue the notice of proposed rulemaking with a 60-day comment period.

**ATTACHMENT:** Notice of proposed rulemaking.