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# Board Action Bulletin

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*Prepared by the Office of Public & Congressional Affairs*

## NCUA BOARD MEETING RESULTS FOR MARCH 16, 2006

### **NCUA modifies share insurance coverage**

The NCUA Board issued an interim final rule amending Part 745 to clarify coverage and implement changes required by share insurance reform Congress enacted last month.

Effective April 1, 2006, the interim final rule provides the following:

- Increases share insurance limits to \$250,000 for retirement accounts such as Traditional and Roth IRAs (Individual Retirement Accounts) and Keogh accounts;
- Retains the \$100,000 insurance limit for all other types of share accounts;
- Requires NCUA and FDIC to jointly determine if an inflation-adjusted increase is appropriate for insured accounts beginning in 2010 and every five years thereafter; Includes pass-through coverage on employee benefit plans while limiting acceptance of shares in employee benefit plans to insured credit unions that are well or adequately capitalized; and
- Clarifies coverage for qualified tuition programs, commonly referred to as 529 plans, and share accounts denominated in foreign currencies.

While retirement accounts gain increased coverage, the rule retains the provision that retirement accounts are insured separately from other accounts at the same institution. NCUA issued the interim final rule with a 60-day comment period.

NCUA is in the process of updating the *Your Insured Funds* brochure and the Share Insurance Estimator on its website. In the future, NCUA will be issuing a separate rule concerning official insurance sign changes.

### **NCUA planning tools approved**

The NCUA Board approved the NCUA Annual Performance Budget 2006 and the NCUA Strategic Plan 2006-2011, planning documents required by the Government Performance Results Act of 1993.

The approved annual performance budget provides NCUA's 2006 goals and strategies as well as guidance for developing regional and office operating plans, all designed to support and achieve the agency's multi-year strategic plan.

The approved strategic plan provides broad, long-term guidance that includes the NCUA

mission, vision and strategic goals. The agency's strategic goals for 2006-2011 include:

1. A safe, sound and healthy credit union system.
2. Access to financial services offered by federally insured credit unions for all eligible consumers throughout the United States.
3. A prudent, flexible and efficient regulatory environment for all federally insured credit unions.

The strategic plan is designed to allow maximum flexibility to accommodate internal and external change. The NCUA Annual Performance Budget 2006 and NCUA Strategic Plan 2006-2011 are available online at <http://www.ncua.gov/ReportsAndPlans/plans-and-reports/index.html>

## **Charter conversions**

The NCUA Board approved a request from **Tri Boro Federal Credit Union** of Munhall, Pa., to convert from a multiple-group to a community chartered credit union serving the Pittsburgh, Pa., metropolitan area. With the conversion, the credit union is able to serve the people who live, work, worship, or attend school, and businesses and other legal entities in Allegheny and Washington Counties, Pennsylvania. At year-end December 31, 2005, Tri Boro FCU assets totaled \$91 million.

The NCUA Board approved the request from **Central Florida Educators Federal Credit Union**, in Orlando, Florida, to convert from a multiple common bond to a community charter serving the Orlando metropolitan statistical area. The conversion enables the credit union to serve the people who live, work, worship, or attend school, and businesses and other legal entities in Orange, Osceola, Seminole and Lake Counties in Florida. Central Florida Educators FCU assets total \$1 billion.

*Board votes are unanimous unless indicated*