
Board Action Bulletin



Prepared by the Office of Public & Congressional Affairs

NCUA BOARD MEETING RESULTS FOR OCTOBER 19, 2006

Share Insurance Fund quarterly report

The National Credit Union Share Insurance Fund (NCUSIF) equity ratio increased to 1.30 percent during September due to an increase in contributed capital. The equity ratio is based on the amount of insured shares to deposits held in the NCUSIF. Insured shares totaled \$532.4 billion at June 30, 2006, and the equity ratio is expected to be 1.30 percent at year-end.

The NCUSIF gross income was \$190.6 million, operating expense was \$62.5 million, net income was \$125.8 million and insurance loss expense was \$2.3 million at the end of the third quarter.

As of September 30, there were 256 problem (CAMEL Code 4/5) credit unions representing 0.68 percent of insured shares, and 12 credit unions have failed in 2006.

Interim final rule amends loan maturity limits and adds financial services

The NCUA Board issued interim final rule Part 701 to clarify and improve the available services FCUs may provide members and those within their field of membership based on requirements of the Financial Services Regulatory Relief Act of 2006.

The new interim rule extends the general maturity limit on loans from 12 to 15 years and §701.30 permits federal credit unions to provide the following services to those within the field of membership, regardless of membership status:

- Sell negotiable checks including travelers checks, money orders, and other similar money transfer instruments (including international and domestic electronic fund transfers); and
- Cash checks and money orders and receive international and domestic electronic fund transfers for a fee.

While the Board encourages interested parties to submit comments, the rule is being issued as an interim final rule and is effective upon publication in the *Federal Register*.

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Suspicious activity reporting requirements updated

NCUA issued final rule Part 748.1(c) with a changed title and detailed requirements for reporting and filing suspicious activity reports (SAR).

The final rule, **Suspicious Activity Reports**, includes information addressing prompt notification of the board of directors of SAR filings, confidentiality of the reports and liability protection. The new final rule seeks to enhance credit union compliance with SAR reporting requirements by providing greater detail on the thresholds and procedures for filing a SAR.

Effective 30 days after publication in the *Federal Register*, the rule clarifies that reportable activity includes suspected crimes and suspicious activity that the credit union knows, suspects, or has reason to suspect has occurred.

Board votes are unanimous unless indicated