
Board Action Bulletin



Prepared by the Office of Public & Congressional Affairs

NCUA BOARD MEETING RESULTS FOR MARCH 15, 2007

NCUSIF declares dividend, no premium necessary

The NCUA Board approved a 1 percent dividend and will return \$52 million to federally insured credit unions representing excess funds over and above the 2006 Board approved 1.30 percent operating level for the National Credit Union Share Insurance Fund (NCUSIF).

The NCUSIF equity ratio was 1.303 December 31, 2006, negating a premium assessment and requiring a dividend distribution. When the NCUSIF equity ratio -- fund equity less unreserved contingent liabilities divided by insured shares -- exceeds the Board established NCUSIF operating level, excess funds must be distributed.

This marks the 7th cash dividend paid since NCUSIF was fully capitalized in 1985. The dividend will be electronically distributed by March 23. Projections for 2007 indicate the NCUSIF equity ratio is expected to be between 1.31 and 1.32 percent by December 31, 2007.

Model consumer privacy form issued

The NCUA Board issued a proposal to amend Part 716, the regulation implementing consumer privacy provisions of the Gramm-Leach-Bliley (GLB) Act. The proposal adds an optional model consumer privacy notice in a form that has been designed to be easier for consumers to understand.

Based on a provision in the Financial Services Regulatory Relief Act of 2006, NCUA, along with the other federal financial institution regulators, Federal Trade Commission, Commodities Futures Trading Commission, and Securities and Exchange Commission, is issuing the notice in a joint rulemaking.

Institutions required to provide annual privacy notices to consumers will be able to use the model form as a safe harbor for compliance with GLB Act privacy notice requirements. The proposal was issued with a 60-day comment period.

Records preservation amendment considered

The NCUA Board issued a proposed amendment to Parts 748 and 749, Records Preservation and Record Retention, to ensure credit unions address the critical issues paramount in serving members and maintaining confidence in the credit union system when a catastrophic event occurs.

Drawing from experience to identify program elements the Board considers essential to restore vital records and maintain member services, the proposal clarifies what constitutes a catastrophic act, preservation requirements for vital records and what to consider when restoring interrupted member services.

Revisions define a catastrophic act as more than two business days disruption in member service. The appendix included summarizes existing guidance on contingency planning and disaster preparedness. Comments are due within 45 days after publication in the Federal Register.

Charter conversion appeal denied

The NCUA Board upheld the Region III Director's decision and denied both Cinfed Federal Credit Union's and Emery Federal Credit Union's request to convert from a multiple-common bond to a community charter able to serve the same eight county area, including counties in Ohio, Kentucky and Indiana. By a 2 to 1 vote, the Board denied the appeals based on determining the applications do not meet adequate interaction/common interests for local community requirements in the NCUA Chartering Manual.

Board votes are unanimous unless indicated