
Board Action Bulletin



Prepared by the Office of Public & Congressional Affairs

NCUA BOARD MEETING RESULTS FOR NOVEMBER 15, 2007

Board Approves Budget Increase for 2008

The NCUA Board approved a 2008 budget of \$158,631,447, which represents a 4.35 percent or \$6,614,607 increase from 2007.

The budget includes an average 5 percent pay increase for all employees in 2008 in addition to weighted locality adjustments of 2.72 percent based on increases and decreases across localities. NCUA is also adding seven full-time examiner positions in response to demands from expanded regulatory and supervision requirements and to thereby ensure the agency's safety and soundness program.

Overhead Transfer Rate Lowered for 2008

The NCUA Board reduced the overhead transfer rate to 52.0 percent for 2008 from the 53.3 percent transfer rate established by the Board for fiscal year 2007.

The Board approves an annual overhead transfer from the National Credit Union Share Insurance Fund (NCUSIF) to the NCUA Operating Fund to cover administrative and other expenses associated with insurance related functions of NCUA operations.

A major factor in calculating the overhead transfer rate is the 12-month examination time survey completed by NCUA examiners. The 2006-2007 survey reports examiners spent 57.4 percent of combined examination and supervision time on insurance-related procedures.

The Calculation of 2008 Overhead Transfer Rate report is available online at <http://www.ncua.gov/NCUABoard/draftboardactions/index.htm>

NCUA Operating Fee Increases Approved

The NCUA Board approved a 9.85 percent increase in the 2008 operating fee federal credit unions contribute to fund NCUA operations and a 6 percent increase in the asset dividing points for the operating fee scale based on projected 2007 federal credit union asset growth.

NCUA's annual operating budget is financed by the federal credit union operating fee and an overhead transfer from the National Credit Unions Share Insurance Fund.

Federal credit union operating fees are due by April 15, 2008. The estimated 2008 operating fee calculator will be available online by November 20th at <http://webapps.ncua.gov/estoppfeecalc/estFeeCalc.aspx>.

NCUA's 2008 Performance Budget Approved

The NCUA Board approved the agency's 2008 performance budget to provide direction for the coming year and support the NCUA Strategic Plan 2006-2011.

Based on NCUA's 2007 budget performance, operating plans for 2008, as well as internal and external factors likely to impact the agency and credit unions, NCUA's Annual Performance Budget 2008 identifies the following objectives for the coming year:

- Improve risk management of the credit union system;
- Increase access to affordable financial services for people of modest means;
- Maintain an environment that promotes innovation and competition while ensuring a safe and sound credit union system; and
- Enhance NCUA succession planning.

Eligible Obligations Update Finalized

The NCUA Board approved final rule §701.23 governing the purchase, sale, and pledge of eligible obligations by adding a conflict of interest provision that is substantially similar to the conflict of interest provision in the general lending rule. The addition will ensure federal credit union (FCU) decisions regarding the purchase, sale or pledge of eligible obligations (defined as a loan or group of loans) are made in an FCU's best interest.

The rule is effective 30 days after publication in the Federal Register.

Charter Conversion Approved

The NCUA Board approved the request of **Shell New Orleans Federal Credit Union**, New, Orleans, La., to convert to a community charter able to serve the 654,750 people who live, work, attend school and businesses and other legal entities located in Jefferson or Orleans Parishes in Louisiana.

Board votes are unanimous unless otherwise indicated