

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: June 16, 2009

FROM: Robert M. Fenner
Office of General Counsel

SUBJ: Proposed Rule,
12 C.F.R. §§741.4, 701.6

ACTION REQUESTED: Board approval to issue proposed amendments to 12 C.F.R. §741.4 that prescribe calculations for premiums and deposit recapitalizations for credit unions insured by the National Credit Union Share Insurance Fund (NCUSIF) for only a portion of a year. The proposed amendments also revise the calculation of the penalty for late payment of a premium or capitalization deposit and include a parallel change to §701.6 regarding late payment of the operating fee.

DATE ACTION REQUESTED: July 16, 2009.

OTHER OFFICES CONSULTED: Office of Examination and Insurance, Office of Capital Markets and Planning, Office of the Chief Financial Officer, All Regional Directors, Office of Corporate Credit Unions, Office of Small Credit Union Initiatives.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

BUDGET IMPACT, IF ANY: None.

RESPONSIBLE STAFF PERSONS: Elizabeth Wirick, Staff Attorney, Office of General Counsel.

SUMMARY: Section 741.4 addresses the capitalization and maintenance of the National Credit Union Share Insurance Fund (NCUSIF). The current rule, however, does not adequately address how premiums and deposit recapitalizations are calculated when a credit union either enters or departs NCUSIF in a year with an assessment. The proposed revisions to the rule include specific calculations for assessments and distributions for institutions entering or leaving NCUSIF. The preamble contains specific examples of the application of the proposed amendments.

RECOMMENDED ACTION: Recommend Board approval to issue the proposed revisions to §741.4 for a 30-day public comment period.

ATTACHMENTS: Notice of Proposed Rule Making and Request for Comments.