

net worth ratio. The Financial Accounting Standards Board's (FASB) planned extension of merger accounting rules (FAS 141) to replace the "pooling method" with the "purchase method" necessitated this change.

* Section 728 amends the Gramm-Leach-Bliley Act to require NCUA and other agencies to develop a model privacy form, which institutions would have the option to use in disclosing their privacy practices.

REG RELIEF ACT PROVISIONS RELATED TO NCUA'S OVERSIGHT AND ENFORCEMENT AUTHORITY

Section 707 amends section 202(a) of the FCUA to allow NCUA, in its discretion, to share examination or other confidential supervisory information with other agencies and state supervisors, as well as directors and officers of a credit union.

* Section 708 amends section 206(i) of the FCUA to clarify that suspensions, prohibitions, and removals are effective against institution affiliated parties whether or not they remain institution affiliated parties of a credit union when the order is issued.

Section 715 amends section 206(k)(3) of the FCUA to clarify that NCUA can issue orders, as well as notices, to institution affiliated parties, even after separation from service.

* Section 716 amends section 206 of the FCUA to change one of the grounds for cease and desist orders, removal and prohibition orders, and civil money penalties. The amendment replaces violation of conditions imposed in "the granting of any application or other request by the credit union" with violation of conditions imposed in "any action on any application, notice, or other request by the credit union or institution-affiliated party" as a basis for enforcement actions.

Section 718 adds a new paragraph to section 207(c)(12) of the FCUA that prevents any party to a contract (except director and officer liability and credit union bonds and certain qualified financial contracts) from terminating, accelerating or declaring default for 45 days after appointment of a conservator or 90 days after appointment of the liquidating agent.

Section 719 amends the Fair Credit Reporting Act to authorize NCUA to acquire credit scores of individuals in connection with the resolution or liquidation of a failed or failing credit union.

Section 720 exempts NCUA from prosecution by federal, state, or local authorities for criminal offenses committed by a credit union or institution affiliated parties before its appointment as liquidating agent.

* Section 721 amends section 207(d) of the FCUA to change the review of the NCUA Board's determination of insurance coverage from the Federal Appeals Courts to the

Federal District Courts; the 60-day statute of limitations for challenging the Board's determination is unchanged.

Section 722 amends section 207(b)(15)(D) of the FCUA to allow destruction of records more than 10 years old upon NCUA's appointment as liquidating agent; current law requires waiting six years after appointment as liquidating agent before destroying any records.

Section 723 authorizes NCUA to store records in film or electronic form, and clarifies that these records are deemed original records for all purposes.

Section 726 includes a number of technical corrections to the Federal Credit Union Act.

GAO STUDIES

The Reg Relief Act also requires two Government Accountability Office (GAO) studies that will likely be of interest to credit unions. Section 1001 requires GAO to submit a report on the currency transaction report filing system within 15 months of enactment. Section 1002 requires GAO to examine options for depository institution chartering, including differences in powers among the different charters and the aggregate cost and breakdown associated with regulatory compliance for banks, savings associations, credit unions, or any other financial institution. GAO also must consider the efficiency of consolidating the financial regulators, as well as charter simplification and homogenization. This report is due one year after enactment.

If you have any questions, please contact your NCUA Regional Office.

Sincerely,

/S/

JoAnn Johnson
Chairman