

Federal Reserve

Friday
November 29, 1996

Part LVI

**National Credit
Union Administration**

Semiannual Regulatory Agenda

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Ch. VII

Semiannual Regulatory Agenda

AGENCY: National Credit Union Administration (NCUA).

ACTION: Semiannual regulatory agenda.

SUMMARY: Pursuant to its ongoing policy of reviewing regulations, NCUA is publishing a list of current and projected rulemakings, reviews of existing regulations, and completed actions as of August 31, 1996. NCUA will also include this agenda in the Unified Agenda of Federal Regulatory and Deregulatory Actions.

DATES: This information is current as of August 31, 1996.

ADDRESSES: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

FOR FURTHER INFORMATION CONTACT: For each regulation listed, the person(s) named in the listing at the above address, unless otherwise noted, or listed telephone number.

SUPPLEMENTARY INFORMATION: The purpose of this agenda is to enable credit unions and the public to follow regulatory development and review at NCUA and to enable interested parties to more effectively participate in that process. The agenda is divided into three parts: (1) Actions completed since the last agenda; (2) actions proposed but not completed; and (3) actions planned

but not yet proposed by the NCUA Board.

The agenda is published pursuant to NCUA Interpretive Ruling and Policy Statement Number 87-2 ("Developing and Reviewing Government Regulations," 54 FR 35231; September 18, 1987). Executive Order 12866, signed by President Clinton on September 30, 1993, now requires independent executive agencies such as NCUA to publish a regulatory agenda. This agenda will be included in the Office of Management and Budget's next publication of its Unified Agenda of Federal Regulatory and Deregulatory Actions.

Approved by the NCUA Board on September 20, 1996.

Hattie Ulan,
Acting Secretary of the Board.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4660	Credit Union Service Contracts/Correspondent Services/Credit Union Service Organizations	3133-AA95
4661	Golden Parachute and Indemnification Payments	3133-AB28
4662	Part 708—Mergers of Federally Insured Credit Unions; Voluntary Termination or Conversion of Insured Status	3133-AB70
4663	Investment and Deposit Activities	3133-AB73

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4664	Corporate Credit Unions	3133-AB67
4665	Part 705—Community Development Revolving Loan Program for Credit Unions	3133-AB71
4666	Organization and Operations of Federal Credit Unions	3133-AB84
4667	Requirements for Insurance	3133-AB85
4668	Management Official Interlocks	3133-AB86

Completed Actions

Sequence Number	Title	Regulation Identifier Number
4669	Part 701—Organization and Operations of Federal Credit Unions	3133-AB72
4670	Uniform Rules of Practice and Procedure	3133-AB79
4671	Supervisory Committee Audits and Verifications	3133-AB82

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Proposed Rule Stage

4660. CREDIT UNION SERVICE CONTRACTS/CORRESPONDENT SERVICES/CREDIT UNION SERVICE ORGANIZATIONS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1766; 12 USC 1789

CFR Citation: 12 CFR 701.26; 12 CFR 701.27

Legal Deadline: None

Abstract: The proposed rule clarifies the limits on the authority for an FCU to provide services and activities to other credit unions. In response to comments, staff is preparing a proposed revision which would permit, and set safety and soundness standards for, correspondent credit union services between credit unions, as well as address the issues of shared branching and request comments for other related issues.

Timetable:

Action	Date	FR Cite
ANPRM	11/15/89	54 FR 48110
ANPRM Comment Period End	02/20/90	
NPRM	12/00/96	

Small Entities Affected: None

Government Levels Affected: Undetermined

Agency Contact: Martin S. Conrey, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
Phone: 703 518-6540
Fax: 703 518-6569

RIN: 3133-AA95

4661. GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1786(t)

CFR Citation: 12 CFR 701.34

Legal Deadline: None

Abstract: The Crime Control Act of 1990 amended the Federal Credit Union Act to strictly limit the use of golden parachute payments and indemnification by credit unions. NCUA staff is considering whether proposed rules are necessary to implement this statutory amendment.

Timetable:

Action	Date	FR Cite
NPRM	12/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Allan Meltzer, Associate General Counsel, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
Phone: 703 518-6540

RIN: 3133-AB28

4662. PART 708—MERGERS OF FEDERALLY INSURED CREDIT UNIONS; VOLUNTARY TERMINATION OR CONVERSION OF INSURED STATUS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1785(c)

CFR Citation: 12 CFR 708

Legal Deadline: None

Abstract: The NCUA Board will propose that proposed merger plans address the six statutory criteria contained in section 205(c) of the Federal Credit Union Act which the Board is required to consider before granting or withholding approval of a proposed merger involving at least one federally insured credit union.

Timetable:

Action	Date	FR Cite
NPRM	12/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Michael J. McKenna, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
Phone: 703 518-6540
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RIN: 3133-AB70

4663. INVESTMENT AND DEPOSIT ACTIVITIES

Priority: Info./Admin./Other

Legal Authority: 12 USC 1757(7); 12 USC 1757(8); 12 USC 1757(15); 12 USC 1757(17); 12 USC 1766(a); 12 USC 1789(ii)

CFR Citation: 12 CFR 703

Legal Deadline: None

Abstract: The proposed regulation clarifies a number of areas, adds restrictions on some securities which have been determined to be too risky for credit unions, broadens authority in certain areas, and requires that a credit union's staff and board of directors fully understand the potential risk characteristics of its investment options.

Timetable:

Action	Date	FR Cite
NPRM	11/29/95	60 FR 61219
NPRM Comment Period End	03/28/96	
NPRM Comment Period Extended	08/12/96	61 FR 41750
NPRM Comment Period Extended to	11/18/96	

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Kimberly Iverson, Program Officer, Office of Examination and Insurance, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
Phone: 703 518-6360
Fax: 703 518-6499

RIN: 3133-AB73

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Final Rule Stage

4664. CORPORATE CREDIT UNIONS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1766; 12 USC 1789

CFR Citation: 12 CFR 704.19

Legal Deadline: None

Abstract: The proposed rule is intended for wholesale corporate credit unions to ensure that the risk on their corporate credit union balance sheets is adequately managed and controlled.

Timetable:

Action	Date	FR Cite
NPRM	07/23/96	61 FR 38117

NCUA

Final Rule Stage

NPRM Comment 09/03/96
 Period End
 Final Action 12/00/96

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Robert Schafer,
 Director, Office of Corporate Credit
 Unions, National Credit Union
 Administration, 1775 Duke Street,
 Alexandria, VA 22314-3428
 Phone: 703 518-6640
 Fax: 703 518-6439

RIN: 3133-AB67

4665. PART 705—COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM FOR CREDIT UNIONS

Priority: Info./Admin./Other

Legal Authority: PL 97-35; 42 USC
 9822; PL 101-144; 12 USC 1766(k)

CFR Citation: 12 CFR 705

Legal Deadline: None

Abstract: The proposed rule eliminates the limits on technical assistance that may be provided per year to participating credit unions; clarifies that student credit unions may not participate in the program; clarifies that credit unions may receive up to \$300,000 in loans in the aggregate at any one time; and requires additional documentation from nonfederally insured credit unions that may wish to participate in the program.

Timetable:

Action	Date	FR Cite
NPRM	01/25/96	61 FR 4238
NPRM Comment Period End	04/05/96	
Final Action Effective	10/00/96	

Small Entities Affected: Organizations

Government Levels Affected: None

Agency Contact: Michael J. McKenna,
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 Alexandria, VA 22314-3428
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 Fax: 703 518-6569

RIN: 3133-AB71

4666. ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1752(5); 12
 USC 1755; 12 USC 1756; 12 USC 1757;

12 USC 1759; 12 USC 1761a; 12 USC
 1761b; 12 USC 1766; 12 USC 1767; 12
 USC 1782; 12 USC 1784; 12 USC 1787;
 12 USC 1789; PL 101-73

CFR Citation: 12 CFR 701; 12 CFR 709;
 12 CFR 741

Legal Deadline: None

Abstract: This interim final rule authorizes credit unions serving predominantly low-income members to raise secondary capital from foundations and other philanthropic-minded institutional investors. This rule also establishes a new section in NCUA regulations providing authority for secondary capital accounts and amending existing regulatory provisions concerning designation of low-income status; amends an existing rule to address the authority of federally insured State credit unions to issue secondary capital accounts; and amends another rule to establish that secondary capital accounts are paid after all other claims in the event of liquidation.

Timetable:

Action	Date	FR Cite
Interim Final Rule Effective	01/25/96	
Interim Final Rule	02/02/96	61 FR 3788
Interim Final Rule Comment Period End	04/01/96	
Final Action	10/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Joyce Jackson, Special
 Assistant, Office of Community
 Development Credit Unions, National
 Credit Union Administration, 1775
 Duke Street, Alexandria, VA 22314-
 3428
 Phone: 703 518-6610
 Fax: 703 518-6439

RIN: 3133-AB84

4667. • REQUIREMENTS FOR INSURANCE

Priority: Info./Admin./Other

Legal Authority: 12 USC 1766; 12 USC
 1789

CFR Citation: 12 CFR 741.6

Legal Deadline: None

Abstract: The regulation would allow
 NCUA to assess its cost on federally

insured credit unions that file late or
 inaccurate 5300 reports.

Timetable:

Action	Date	FR Cite
NPRM	02/05/96	61 FR 4237
Final Action	10/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Herbert S. Yolles,
 Director, Division of Risk Management,
 Examination and Insurance, National
 Credit Union Administration, 1775
 Duke Street, Alexandria, VA 22314-
 3428
 Phone: 703 518-6363

RIN: 3133-AB85

4668. • MANAGEMENT OFFICIAL INTERLOCKS

Priority: Info./Admin./Other

Legal Authority: 12 USC 3201 et seq;
 12 USC 1757

CFR Citation: 12 CFR 711

Legal Deadline: None

Abstract: The Depository Institution
 Management Interlocks Act prohibits
 certain management interlocks between
 depository institutions. The Interlocks
 Act exempts interlocking arrangements
 between credit unions and therefore, in
 the case of credit unions, only restricts
 interlocks between credit unions and
 other institutions -- banks and thrifts.

Timetable:

Action	Date	FR Cite
NPRM	03/15/96	61 FR 12043
NPRM Comment Period End	05/24/96	
Final Action	10/00/96	

Small Entities Affected: None

Government Levels Affected: None

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RIN: 3133-AB86

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Completed Actions

4669. PART 701—ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1755; 12 USC 1756; 12 USC 1757; 12 USC 1759; 12 USC 1761a; 12 USC 1761b; 12 USC 1766; 12 USC 1767; 12 USC 1782; 12 USC 1784; 12 USC 1787; 12 USC 1789; 12 USC 1798

CFR Citation: 12 CFR 701

Legal Deadline: None

Abstract: The NCUA Board issued five amendments to clarify: the application of field of membership requirements to mergers; the streamlined expansion procedure; the documentation requirements for low-income communities; the use of surveys to support a community common bond; and appeal procedures.

Timetable:

Action	Date	FR Cite
NPRM	10/04/95	60 FR 51936
NPRM Comment Period End	12/04/95	
Final Action	03/22/96	61 FR 11721
Final Action Effective	07/01/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Michael J. McKenna, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AB72

4670. UNIFORM RULES OF PRACTICE AND PROCEDURE

Priority: Info./Admin./Other

Legal Authority: 12 USC 1766; 12 USC 1784; 12 USC 1786; 12 USC 1787; 42 USC 4012a

CFR Citation: 12 CFR 747

Legal Deadline: None

Abstract: The final rule is intended to clarify certain provisions and to increase the efficiency and fairness of administration hearings.

Timetable:

Action	Date	FR Cite
Final Action	06/04/96	61 FR 28021
Final Action Effective	06/05/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Steven Widerman, Trial Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AB79

4671. SUPERVISORY COMMITTEE AUDITS AND VERIFICATIONS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1752(5); 12 USC 1755; 12 USC 1756; 12 USC 1757; 12 USC 1759; 12 USC 1761a; 12 USC 1761b; 12 USC 1766; 12 USC 1767; 12 USC 1782; 12 USC 1784; 12 USC 1787;

12 USC 1789; 12 USC 1798; PL 101-73

CFR Citation: 12 CFR 701.12

Legal Deadline: None

Abstract: The final amendments clarify existing audit scope; expand audit scope and reporting requirements for compensated auditors only; require a comprehensive engagement letter setting forth minimum contracting terms and conditions; clarify existing working paper access requirements; expressly state available administrative sanctions for failure to comply with supervisory committee audit requirements and working paper access requirements; and add relevant definitions of accounting/auditing terms used throughout the regulation.

Timetable:

Action	Date	FR Cite
Final Action	08/08/96	61 FR 41312
Final Action Effective	12/31/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Michael McKenna, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AB82

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