



Monday
May 8, 1995

Part LX

**National Credit
Union Administration**

Semiannual Regulatory Agenda

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Ch. VII

Semiannual Agenda of Regulations

AGENCY: National Credit Union Administration (NCUA).

ACTION: Semiannual agenda of regulations.

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 February 24, 1995. NCUA will also include this agenda in this Unified Agenda of Federal Regulations.

DATES: This information is current as of February 24, 1995.

ADDRESSES: National Credit Union Administration, 1775 Duke Street, Alexandria, VA 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 Regulations.

Approved by the NCUA Board on February 20, 1995.

Becky Baker,
Secretary of the Board.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4923	Credit Union Service Contracts and Correspondent Services	3133-AA95
4924	Share Insurance and Appendix	3133-AB15
4925	Golden Parachute and Indemnification Payments	3133-AB28
4926	Requirements for Insurance	3133-AB31
4927	Loans to Members and Lines of Credit to Members	3133-AB60
4928	Corporate Credit Unions	3133-AB67
4929	Employee Benefits	3133-AB68
4930	Flood Insurance	3133-AB69
4931	Interpretive Ruling and Policy Statement—Merger Standards	3133-AB70
4932	Part 705—Community Development Revolving Loan Program for Credit Unions	3133-AB71

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4933	Excerpts From the Uniform Standards of Professional Appraisal Practice Applicable to Federally Related Transactions	3133-AB20
4934	Mergers or Conversions of Federally Insured Credit Unions: NCUA Approval	3133-AB65

Completed/Longterm Actions

Sequence Number	Title	Regulation Identifier Number
4935	Special Reserves	3133-AB29
4936	Corporate Credit Unions	3133-AB64
4937	Truth in Savings	3133-AB66

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Proposed Rule Stage

4923. CREDIT UNION SERVICE CONTRACTS AND CORRESPONDENT SERVICES**Legal Authority:** 12 USC 1766; 12 USC 1789**CFR Citation:** 12 CFR 701.26**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 issue of shared branching.

Timetable:

Action	Date	FR Cite
ANPRM	11/15/89	54 FR 48110
ANPRM Comment Period End	02/20/90	54 FR 48110
NPRM	12/00/95	

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, **703 518-6540**

RIN: 3133-AA95**4924. SHARE INSURANCE AND APPENDIX****Legal Authority:** 12 USC 1766; 12 USC 1781; 12 USC 1789**CFR Citation:** 12 CFR 745**Legal Deadline:** None

Abstract: On May 15, 1990, the FDIC issued final rules on deposit insurance (55 FR 20111). The FDIC rules differ in some respects from NCUA's current rules and/or policies. NCUA staff will be analyzing the changes and clarifications to deposit insurance coverage rules made by the FDIC, in order to determine whether changes in NCUA's insurance regulations are warranted. Staff is also reviewing the entire section for a general update.

Timetable:

Action	Date	FR Cite
NPRM	12/00/95	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Richard S. Schulman, Associate General Counsel, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**

RIN: 3133-AB15**4925. GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS****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	12/00/95	

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, **703 518-6540**

RIN: 3133-AB28**4926. REQUIREMENTS FOR INSURANCE****Legal Authority:** 12 USC 1757; 12 USC 1766(a); 12 USC 1781 to 1790**CFR Citation:** 12 CFR 741**Legal Deadline:** None

Abstract: NCUA staff is reviewing requirements for National Credit Union Share Insurance Fund (NCUSIF) coverage as part of its regulatory review process. Staff expects to rewrite part 741 in order to clarify which of the NCUA regulations currently apply to State-chartered, NCUSIF-insured credit unions. The changes will be informational, rather than substantive.

Timetable:

Action	Date	FR Cite
NPRM	12/00/95	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Linda Groth, State Program Officer, Office of Examination and Insurance, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6360**

RIN: 3133-AB31**4927. LOANS TO MEMBERS AND LINES OF CREDIT TO MEMBERS****Legal Authority:** 12 USC 1766; 12 USC 1789**CFR Citation:** 12 CFR 701.21**Legal Deadline:** None

Abstract: Under National Credit Union Administration (NCUA) Rules and Regulations, federally insured credit unions are prohibited from providing incentive pay plans to certain employees related to the credit union's lending activities. NCUA has solicited public comment on whether this prohibition should be changed. NCUA also has invited comments on other changes to its lending regulations that would facilitate increased lending and improved loan-to-share ratios in credit unions. Information from interested parties will assist NCUA in determining whether to issue proposed amendments to its lending regulations.

Timetable:

Action	Date	FR Cite
ANPRM	03/15/94	59 FR 11937
ANPRM Comment Period End	05/16/94	59 FR 11937
NPRM	04/00/95	

Small Entities Affected: None**Government Levels Affected:** None

Agency Contact: Lisa Henderson, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**

RIN: 3133-AB60**4928. • CORPORATE CREDIT UNIONS****Priority:** Agency Priority**Legal Authority:** 12 USC 1766; 12 USC 1789**CFR Citation:** 12 CFR 704**Legal Deadline:** None

Abstract: Staff is reviewing part 704 to determine what changes need to be made to ensure that corporate credit unions remain safe and sound.

NCUA

Proposed Rule Stage

Timetable:

Action	Date	FR Cite
NPRM	04/00/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: H. Allen Carver, Director, Office of Corporate Credit Unions, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6640**

RIN: 3133-AB67

4929. • EMPLOYEE BENEFITS

Legal Authority: 12 USC 1761b(12); 12 USC 1766a

CFR Citation: 12 CFR 701.19

Legal Deadline: None

Abstract: NCUA staff plans to present a proposed rule permitting Federal credit unions to establish and maintain certain partially self-funded employee health benefit plans. At this time, Federal credit unions are only permitted to purchase fully insured employee health and medical policies from insurance companies.

Timetable:

Action	Date	FR Cite
NPRM	04/00/95	

Small Entities Affected: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Martin S. Conrey, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**

RIN: 3133-AB68

4930. • FLOOD INSURANCE

Legal Authority: 12 USC 1766; 12 USC 1789; 12 USC 4012a; 12 USC 4106; PL 103-325

CFR Citation: 12 CFR 760

Legal Deadline: Final, Statutory, September 23, 1995.

Abstract: The Riegle Community Development and Regulatory Improvement Act of 1994 directs NCUA to issue regulations requiring federally insured credit unions to ensure that loans secured by real estate located in flood hazard areas are covered by flood insurance. These regulations must be developed with the other banking agencies.

Timetable:

Action	Date	FR Cite
NPRM	09/23/95	

Small Entities Affected: Organizations

Government Levels Affected: None

Agency Contact: Jeffrey S. Mooney, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**

RIN: 3133-AB69

4931. • INTERPRETIVE RULING AND POLICY STATEMENT—MERGER STANDARDS

Legal Authority: 12 USC 1785(c)

CFR Citation: None

Legal Deadline: None

Abstract: The NCUA Board will propose merger criteria to supplement the criteria found in the Federal Credit Union Act and provide additional guidance to federally insured credit unions on the evaluation process used

by the agency to determine whether to approve a voluntary merger involving at least one federally insured credit union.

Timetable:

Action	Date	FR Cite
NPRM	12/00/95	

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, **703 518-6540**

RIN: 3133-AB70

4932. • PART 705—COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM FOR CREDIT UNIONS

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

CFR Citation: 12 CFR 705

Legal Deadline: None

Abstract: NCUA is drafting proposed amendments to clarify issues and relieve regulatory burden.

Timetable:

Action	Date	FR Cite
NPRM	12/00/95	

Small Entities Affected: Organizations

Government Levels Affected: None

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

RIN: 3133-AB71

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Final Rule Stage

4933. EXCERPTS FROM THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE APPLICABLE TO FEDERALLY RELATED TRANSACTIONS

Legal Authority: 12 USC 1766; 12 USC 1789; PL 101-73

CFR Citation: 12 CFR 722, app A

Legal Deadline: None

Abstract: The interim common rule, issued jointly with other Federal financial institution regulators (FRB, OTS, RTC, OCC, and FDIC), is designed to ensure that reliable appraisals are rendered in connection with federally related transactions.

Timetable:

Action	Date	FR Cite
Interim Final Rule	12/31/90	55 FR 53610
Final Action	04/00/95	

Small Entities Affected: None

Government Levels Affected: State

Additional Information: The Federal financial institutions working group is nearing completion on a final rule.

NCUA

Final Rule Stage

Agency Contact: Michael J. McKenna, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**
RIN: 3133-AB20

CFR Citation: 12 CFR 708a

Legal Deadline: None

Abstract: The interim final rule clarifies NCUA's authority to approve mergers and conversions of federally insured credit unions converting to any institution that is not NCUSIF insured.

Timetable:

Action	Date	FR Cite
NPRM	06/30/94	59 FR 33702
NPRM Comment Period End	08/01/94	59 FR 33702

Action	Date	FR Cite
Interim Final Rule	09/23/94	59 FR 48790
Final Action	04/00/95	

Small Entities Affected: None

Government Levels Affected: State

Agency Contact: Mary Rupp, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**

RIN: 3133-AB65

4934. MERGERS OR CONVERSIONS OF FEDERALLY INSURED CREDIT UNIONS: NCUA APPROVAL

Legal Authority: 12 USC 1766; 12 USC 1785; 12 USC 1786; 12 USC 1789

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Completed/Longterm Actions

4935. SPECIAL RESERVES

Legal Authority: 12 USC 1762(b); 12 USC 1781(b)(6); 12 CFR 741.9(a)(2)

CFR Citation: 12 CFR 702.4

Legal Deadline: None

Abstract: NCUA has the authority, pursuant to the FCU Act, to order individual credit unions to establish special reserves. NCUA staff is considering the advisability of a uniform procedure and a mechanism for credit unions to respond to such procedures.

Timetable:

Action	Date	FR Cite
Withdrawn - Procedure not needed at this time.	02/24/95	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Richard S. Schulman, Associate General Counsel, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6540**

RIN: 3133-AB29

Abstract: The final rule provides that: (1) a majority of a corporate credit union's board members must be representatives of member credit unions; (2) a majority of a corporate credit union's board members may not serve the same or affiliated credit union trade association; (3) the chairman of a corporate credit union board may not serve as an officer, director, or employee of a credit union trade association; and (4) the CEO of a corporate credit union must report solely to the board of the corporate Federal credit union and may not be an employee of a credit union trade association.

Timetable:

Action	Date	FR Cite
ANPRM	04/19/94	59 FR 18503
ANPRM Comment Period End	06/20/94	59 FR 18503
NPRM	09/16/94	59 FR 48832
NPRM Comment Period End	10/24/94	59 FR 48832
Final Action	11/10/94	59 FR 59357
Final Action Effective	01/01/96	59 FR 59357

Small Entities Affected: None

Government Levels Affected: State

Agency Contact: H. Allen Carver, Director, Office of Corporate Credit Unions, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428, **703 518-6640**

RIN: 3133-AB64

4937. TRUTH IN SAVINGS

Legal Authority: 12 USC 4311

CFR Citation: 12 CFR 707, app C

Legal Deadline: None

Abstract: The official staff interpretations apply and interpret the requirements of NCUA's Truth in Savings rule. The commentary incorporates much of the guidance provided when the final Truth in Savings rule was adopted, and addresses additional questions raised about the application of its requirements. The commentary was added as appendix C to part 707. Compliance is optional for most credit unions until May 22, 1995.

Timetable:

Action	Date	FR Cite
NPRM	08/03/94	59 FR 39486
NPRM Comment Period End	09/19/94	
Final Action	11/21/94	59 FR 59887
Final Action Effective	05/22/95	59 FR 59887

Small Entities Affected: None

Government Levels Affected: None

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

RIN: 3133-AB66

[FR Doc. 95-5759 Filed 05-05-95; 8:45 am]

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4936. CORPORATE CREDIT UNIONS

Legal Authority: 12 USC 1762; 12 USC 1766(a); 12 USC 1781; 12 USC 1789

CFR Citation: 12 CFR 704

Legal Deadline: None