



Monday
November 9, 1998

Part LX

**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 7, 1998. NCUA will also include this agenda in the Unified Agenda of Federal Regulatory and Deregulatory Actions.

DATES: This information is current as of August 7, 1998.

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 participate in that process more effectively. 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, requires independent executive agencies such as NCUA to publish a regulatory agenda. This agenda will be included in the next publication of the Unified Agenda of Federal Regulatory and Deregulatory Actions.

Approved by the NCUA Board on August 18, 1998.

Becky Baker,
Secretary of the Board.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4551	Federal Credit Union Ownership of Fixed Assets	3133-AB90
4552	Management Official Interlocks	3133-AB93
4553	Federal Credit Union Bylaws	3133-AB94
4554	Federal Credit Union Chartering, Field of Membership Modifications, and Conversions	3133-AC02
4555	Change in Official or Senior Executive Officer in Credit Unions That Are Newly Chartered or Are in Troubled Condition	3133-AC03
4556	Fidelity Bond and Insurance Coverage of Federal Credit Unions	3133-AC04
4557	Purchase, Sale and Pledge of Eligible Obligations	3133-AC05
4558	Loans to Members and Lines of Credit to Members	3133-AC10

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4559	Member Business Loans	3133-AB91
4560	Organization and Operations of Federal Credit Unions; Trustees and Custodians of Pension Plans	3133-AC09

Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4561	Involuntary Liquidation of Federal Credit Unions and Adjudication of Creditor Claims Involving Federally Insured Credit Unions in Liquidation	3133-AC06
4562	Federal Credit Union Insurance and Group Purchasing Activities	3133-AC07

Completed Actions

Sequence Number	Title	Regulation Identifier Number
4563	Golden Parachute and Indemnification Payments	3133-AB28

NCUA

Completed Actions (Continued)

Sequence Number	Title	Regulation Identifier Number
4564	Investment and Deposit Activities	3133-AC01

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Proposed Rule Stage

4551. FEDERAL CREDIT UNION OWNERSHIP OF FIXED ASSETS

Priority: Info./Admin./Other

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1754(4)

CFR Citation: 12 CFR 701.36

Legal Deadline: None

Abstract: The current rule establishes a specific limitation on an FCU's investment in fixed assets at 5 percent of shares and retained earnings when an FCU's assets exceed \$1 million. The proposal anticipates using a new fixed asset threshold based on an FCU's net capital. In addition, fixed asset waiver requests would need to be documented more fully than at present.

Timetable:

Action	Date	FR Cite
NPRM	01/00/99	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Agency Contact: Michael J. McKenna, 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
Email: ogc@ncua.gov
RIN: 3133-AB90

4552. MANAGEMENT OFFICIAL INTERLOCKS

Priority: Substantive, Nonsignificant

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

CFR Citation: 12 CFR 711

Legal Deadline: None

Abstract: The current regulation will need to be amended to conform it to recent changes made to the Depository Institutions Management Interlocks Act (the Interlocks Act). The Interlocks Act was amended to raise the asset threshold for the prohibition against interlocks involving an institution with at least \$1 billion in total assets and an institution with at least \$500 million in total assets. The Interlocks Act also was amended to expand the exemptive authority of the OCC and other Federal banking agencies.

Timetable:

Action	Date	FR Cite
NPRM	10/00/98	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Agency Contact: Dianne M. Salva, 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
Email: ogc@ncua.gov
RIN: 3133-AB93

4553. FEDERAL CREDIT UNION BYLAWS

Priority: Substantive, Nonsignificant

Reinventing Government: This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.

Legal Authority: 12 USC 1758

CFR Citation: None

Legal Deadline: None

Abstract: The request for comments was issued to help guide the preparation of a proposed rule which would clarify, revise, and reorganize

existing FCU bylaws and eliminate bylaws that are obsolete.

Timetable:

Action	Date	FR Cite
ANPRM	03/13/97	62 FR 11778
ANPRM Comment Period End	06/12/97	62 FR 19702
NPRM	12/00/98	

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected: None

Agency Contact: Mary F. Rupp, 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
Email: ogc@ncua.gov
RIN: 3133-AB94

4554. FEDERAL CREDIT UNION CHARTERING, FIELD OF MEMBERSHIP MODIFICATIONS, AND CONVERSIONS

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

CFR Citation: 12 CFR 701.1

Legal Deadline: None

Abstract: NCUA staff is currently working on a proposed Interpretive Ruling and Policy Statement to update completely our chartering and field of membership policies.

Timetable:

Action	Date	FR Cite
NPRM	10/00/98	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

NCUA

Proposed Rule Stage

Agency Contact: Michael J. McKenna, 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
 Email: ogc@ncua.gov

RIN: 3133-AC02

4555. CHANGE IN OFFICIAL OR SENIOR EXECUTIVE OFFICER IN CREDIT UNIONS THAT ARE NEWLY CHARTERED OR ARE IN TROUBLED CONDITION

Priority: Substantive, Nonsignificant

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 1787; 12 USC 1789

CFR Citation: 12 CFR 701.14

Legal Deadline: None

Abstract: This regulation was implemented in 1990. It sets forth the condition under which a newly chartered or troubled credit union must notify NCUA of any changes in its board of directors, committee members, or senior executive staff. The provisions relating to when the notice period begins for NCUA's review and the definition of a troubled federally insured state credit union have created some problems for NCUA staff. NCUA intends to clarify the notice provision and to define a federally insured State credit union as troubled if it receives a 4 or 5 CAMEL rating from NCUA or State Supervisory Authority.

Timetable:

Action	Date	FR Cite
NPRM	10/00/98	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Margaret McPartlin, Trial Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
 Phone: 703 518-6540
 Fax: 703 518-6569
 Email: ogc@ncua.gov

RIN: 3133-AC03

4556. FIDELITY BOND AND INSURANCE COVERAGE 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 1787; 12 USC 1789

CFR Citation: 12 CFR 701.20

Legal Deadline: None

Abstract: This regulation sets out the requirements for fidelity bonds and other insurance coverage. The revision will clarify and update it by identifying additional bonds that have been approved.

Timetable:

Action	Date	FR Cite
NPRM	10/00/98	

Regulatory Flexibility Analysis Required: No

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
 Fax: 703 518-6569
 Email: ogc@ncua.gov

RIN: 3133-AC04

4557. PURCHASE, SALE AND PLEDGE OF ELIGIBLE OBLIGATIONS

Priority: Substantive, Nonsignificant

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 1787; 12 USC 1789

CFR Citation: 12 CFR 701.23

Legal Deadline: None

Abstract: The regulation sets forth the requirements that a Federal credit union may purchase real estate loans from any source if it is granting real estate loans on an ongoing basis and the purchase will facilitate the packaging of a pool of loans for sale on the secondary market. The proposal clarifies that a pool must include a substantial portion of the Federal credit union loans and must be sold promptly. Further, the proposed rule explains when the purchase of a member loan is not the purchase of an

eligible obligation, but rather the making of a direct loan.

Timetable:

Action	Date	FR Cite
NPRM	08/06/98	63 FR 41976
NPRM Comment Period End	10/05/98	
Interim Final Rule	12/00/98	
Final Action	12/00/98	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Mary F. Rupp, 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
 Email: ogc@ncua.gov

RIN: 3133-AC05

4558. • LOANS TO MEMBERS AND LINES OF CREDIT TO MEMBERS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Unfunded Mandates: Undetermined

Legal Authority: 12 USC 1752(5); 12 USC 1755 to 1757; 12 USC 1759; 12 USC 1761a to 1761b; 12 USC 1766 to 1767; 12 USC 1782; 12 USC 1784; 12 USC 1787; 12 USC 1789

CFR Citation: 12 CFR 701.21(g)

Legal Deadline: None

Abstract: The NCUA is proposing to incorporate into its regulations the agency's longstanding interpretation that Federal credit unions can permit a nonmember to assume a member's residential real estate loan in conjunction with the nonmember's purchase of the member's principal residence.

Timetable:

Action	Date	FR Cite
NPRM	08/06/98	63 FR 41978
NPRM Comment Period End	10/05/98	
Final Action	12/00/98	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Michael J. McKenna, Staff Attorney, National Credit Union Administration

NCUA

Proposed Rule Stage

Phone: 703 518-6540

Fax: 703 518-6569

RIN: 3133-AC10

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Final Rule Stage

4559. MEMBER BUSINESS LOANS

Priority: Substantive, Nonsignificant**Reinventing Government:** This rulemaking is part of the Reinventing Government effort. It will revise text in the CFR to reduce burden or duplication, or streamline requirements.**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 1787; 12 USC 1789**CFR Citation:** 12 CFR 701.21(h)**Legal Deadline:** None**Abstract:** NCUA proposes to update, clarify, and streamline its existing rules concerning member business loans and appraisals for federally insured credit unions. The intended effect of the proposal is to reduce regulatory burden, maintain safety and soundness, and expand the number and type of business loans a Federal credit union may grant its members.**Timetable:**

Action	Date	FR Cite
NPRM	08/01/97	62 FR 41313

Action	Date	FR Cite
NPRM Comment	09/30/97	
Period End		
Final Action	12/00/98	

NPRM Comment

09/30/97

Period End

Final Action

12/00/98

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Michael J. McKenna, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314
Phone: 703 518-6540
Fax: 703 518-6569
Email: ogc@ncua.gov

RIN: 3133-AB91

CFR Citation: 12 CFR 701; 12 CFR 724**Legal Deadline:** None**Abstract:** The interim final rule corrects references in NCUA regulations regarding share insurance coverage on member accounts established as Education IRAs, ROTH IRAs, Savings Incentive Match Plan for Employees and Medical Savings Accounts. The rule also makes a conforming amendment to the rule regarding retirement benefits for Federal credit union employees.**Timetable:**

Action	Date	FR Cite
Interim Final Rule	03/24/98	63 FR 14025
Final Action	10/00/98	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None**Agency Contact:** Frank Kressman, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
Phone: 703 518-6540
Fax: 703 518-6569

RIN: 3133-AC09

4560. • ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS; TRUSTEES AND CUSTODIANS OF PENSION PLANS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Unfunded Mandates:** Undetermined**Legal Authority:** 12 USC 1752(5); 12 USC 1755 to 1757; 12 USC 1759; 12 USC 1761a to 1761b; 12 USC 1766 to 1767; 12 USC 1782; 12 USC 1784; 12 USC 1787; 12 USC 1789

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Long-Term Actions

4561. INVOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS AND ADJUDICATION OF CREDITOR CLAIMS INVOLVING FEDERALLY INSURED CREDIT UNIONS IN LIQUIDATION

Priority: Substantive, Nonsignificant**CFR Citation:** 12 CFR 709**Timetable:**

Action	Date	FR Cite
NPRM	12/00/99	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Allan Meltzer
Phone: 703 518-6540
Fax: 703 518-6569
Email: ogc@ncua.gov

RIN: 3133-AC06

Timetable:

Action	Date	FR Cite
NPRM	12/00/99	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Michael J. McKenna
Phone: 703 518-6540
Fax: 703 518-6569
Email: ogc@ncua.gov

RIN: 3133-AC07

4562. FEDERAL CREDIT UNION INSURANCE AND GROUP PURCHASING ACTIVITIES

Priority: Info./Admin./Other**CFR Citation:** 12 CFR 721

NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

Completed Actions

4563. GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1786(t)

CFR Citation: 12 CFR 701.34

Legal Deadline: None

Abstract: The NCUA Board has determined not to issue a regulation at this time.

Timetable:

Action	Date	FR Cite
Withdrawn	08/07/98	

Regulatory Flexibility Analysis

Required: No

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

Fax: 703 518-6569

Email: ogc@ncua.gov

RIN: 3133-AB28

4564. INVESTMENT AND DEPOSIT ACTIVITIES

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1757(7); 12 USC 1757(8); 12 USC 1757(15)

CFR Citation: 12 CFR 703

Legal Deadline: None

Abstract: NCUA is adopting as final the interim final amendments to the investment regulation as issued last year. The final amendments revise the broker-dealer and safekeeping provisions. NCUA is also deleting the references to the High Risk Securities Test for Collateralized Mortgage Obligations and Real Estate Mortgage Investment in its regulations on investments and corporate credit unions. These amendments will clarify certain procedures related to credit unions' involvement with broker-dealers and safekeeping of securities.

Timetable:

Action	Date	FR Cite
Interim Final Rule	12/04/97	62 FR 64146
Interim Final Rule Effective Date	01/01/98	

Action	Date	FR Cite
Interim Final Rule Comment Period End	02/02/98	
Final Action	05/01/98	63 FR 24103
Final Action Effective	05/01/98	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Agency Contact: Daniel Gordon, Senior Investment Officer, Office of Investment Services, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428

Phone: 703 518-6620

Fax: 703 518-6499

Email: oei@ncua.gov

Kim Iverson, Program Officer, Office of Examination and Insurance, National Credit Union Administration

Phone: 703 518-6360

Fax: 703 518-6499

Email: ois@ncua.gov

RIN: 3133-AC01

[FR Doc. 98-24587 Filed 11-06-98; 8:45 am]

BILLING CODE 7535-01-F