



Monday,
November 22, 1999

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 20, 1999, to be included in this agenda in the Unified Agenda of Federal Regulatory and Deregulatory Actions.

DATES: This information is current as of August 20, 1999.

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. Entries for the Agenda appear in one of five possible categories: prerule stage; proposed rule stage; final rule stage; long-term actions; or completed actions.

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), which sets out NCUA's policy

and procedures for developing and reviewing its regulations. NCUA's policy is to ensure that its regulations impose only minimum required burdens on credit unions, consumers, and the public; are appropriate for the size of the financial institutions it regulates; are issued only after full public participation; and are clear and understandable. Further, NCUA undertakes to review all regulations every three years to clarify and simplify existing regulations and eliminate redundant and unnecessary provisions. Executive Order 12866, signed by President Clinton on September 30, 1993, requires independent executive agencies such as NCUA to publish a regulatory agenda.

Approved by the NCUA Board on August 30, 1999.

Becky Baker,
Secretary of the Board.

Prerule Stage

Sequence Number	Title	Regulation Identification Number
4523	Federal Credit Union Insurance and Group Purchasing Activities	3133-AC07

Proposed Rule Stage

Sequence Number	Title	Regulation Identification Number
4524	Federal Credit Union Ownership of Fixed Assets	3133-AB90
4525	Leasing	3133-AC13
4526	Share Overdraft Accounts Without a Written Lending Agreement	3133-AC26
4527	Federal Credit Union Chartering, Field of Membership Modifications and Conversions	3133-AC27
4528	Corporate Credit Unions	3133-AC28
4529	Prompt Correction Action	3133-AC30
4530	Trustees and Custodians of Pension Plan	3133-AC32

Final Rule Stage

Sequence Number	Title	Regulation Identification Number
4531	Management Official Interlocks	3133-AB93
4532	Prompt Corrective Action	3133-AC14
4533	Share Insurance and Appendix	3133-AC23
4534	Credit Union Service Organization	3133-AC29
4535	Secondary Capital	3133-AC31

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Completed Actions

Sequence Number	Title	Regulation Identification Number
4536	Member Business Loans	3133-AB91
4537	Federal Credit Union Bylaws	3133-AB94
4538	Change in Official or Senior Executive Officer in Credit Unions That Are Newly Chartered or Are in Troubled Condition	
		3133-AC03
4539	Fidelity Bond and Insurance Coverage of Federal Credit Unions	3133-AC04
4540	Charitable Contributions	3133-AC15
4541	Credit Union Service Organizations	3133-AC16
4542	Statutory Lien	3133-AC17
4543	Supervisory Committee Audits and Verifications	3133-AC18
4544	Organization and Operations of Federal Credit Unions Safe Deposit Box Service	3133-AC19
4545	Truth in Savings	3133-AC20
4546	Conversion of Insured Credit Unions to Mutual Savings Banks	3133-AC21
4547	Requirements for Insurance	3133-AC22
4548	Loan Interest Rates	3133-AC25

National Credit Union Administration (NCUA)

Prerule Stage

4523. FEDERAL CREDIT UNION INSURANCE AND GROUP PURCHASING ACTIVITIES

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1757(16); 12 USC 1766; 12 USC 1789

CFR Citation: 12 CFR 721

Legal Deadline: None

Abstract: The regulation sets forth the rules governing Federal credit union insurance and group purchasing activities.

Timetable:

Action	Date	FR Cite
ANPRM	12/00/99	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Michael J. McKenna, Senior Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AC07

National Credit Union Administration (NCUA)

Proposed Rule Stage

4524. FEDERAL CREDIT UNION OWNERSHIP OF FIXED ASSETS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1754(4)

CFR Citation: 12 CFR 701.36

Legal Deadline: None

Abstract: The current rule establishes a specific limitation on a federal credit union's investment in fixed assets at 5 percent of shares and retained earnings when a federal credit union's assets exceed \$1 million. The proposal anticipates using a new fixed asset threshold based on a federal credit union'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	07/00/00	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Michael J. McKenna, Senior Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AB90

4525. LEASING

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1756

CFR Citation: 12 CFR 714

Legal Deadline: None

Abstract: The NCUA Board is proposing to update and redesignate its longstanding policy statement on leasing, Interpretive Ruling and Policy Statement 83-3, as an NCUA regulation. Interpretive Ruling and Policy Statement 83-3 authorizes federal credit unions to engage in either direct or indirect leasing and either open-end or closed-end leasing of personal property to their members if such lease financing arrangements are the functional equivalent of secured loans. Also, the proposed regulation formalizes NCUA's position, stated in legal opinion letters, that a federal credit union does not have to own the lease property in indirect leasing if certain requirements are satisfied.

NCUA

Proposed Rule Stage

Timetable:

Action	Date	FR Cite
NPRM	10/29/98	63 FR 57950
NPRM Comment Period End	01/27/99	
Second NPRM	10/15/99	64 FR 55866
Second NPRM Comment Period End	12/14/99	
Final Action	04/00/00	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None**Agency Contact:** Paul Marshall Peterson, Staff Attorney, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428

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RIN: 3133-AC13**4526. • SHARE OVERDRAFT ACCOUNTS WITHOUT A WRITTEN LENDING AGREEMENT****Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Unfunded Mandates:** Undetermined**Legal Authority:** 12 USC 1752(5); 12 USC 1755; 12 USC 1756; 12 USC 1757; 12 USC 1759; ...**CFR Citation:** 12 CFR 701.21**Legal Deadline:** None**Abstract:** NCUA Board proposes to amend its lending regulation to permit Federal credit unions to advance money to members to cover account deficits without having a credit application from the member on file if the credit union has a written overdraft policy.**Timetable:**

Action	Date	FR Cite
NPRM	09/30/99	64 FR 52694
NPRM Comment Period End	11/29/99	
Final Rule	04/00/00	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None**Agency Contact:** Regina M. Metz, Staff Attorney, Office of General Counsel,

National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314

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RIN: 3133-AC26**4527. • FEDERAL CREDIT UNION CHARTERING, FIELD OF MEMBERSHIP MODIFICATIONS AND CONVERSIONS****Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 12 USC 1752(5); 12 USC 1755-57; 12 USC 1759; 12 USC 1761b-c; 12 USC 1766-67; ...**CFR Citation:** 12 CFR 701.1**Legal Deadline:** None**Abstract:** The regulation sets forth all the requirements to chartering and field of membership. The NCUA Board is considering issuing a proposal that would require Federal credit unions to have a business plan that sets forth the credit unions' efforts to serve low-income members. The NCUA Board is also considering issuing proposed amendments to clarify existing policy. These amendments would mostly be technical in nature.**Timetable:**

Action	Date	FR Cite
NPRM	11/00/99	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None**Agency Contact:** Michael J. McKenna, Senior Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428

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RIN: 3133-AC27**4528. • CORPORATE CREDIT UNIONS****Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 12 USC 1762; 12 USC 1766(a); 12 USC 1781; 12 USC 1789**CFR Citation:** 12 CFR 704**Legal Deadline:** None**Abstract:** NCUA requests public comment on revisions to the rule

governing corporate credit unions. As part of its regulatory review process, NCUA has identified provisions for further clarification or revision. Comments on these issues will assist NCUA in its regulatory review process.

Timetable:

Action	Date	FR Cite
ANPRM	07/28/99	64 FR 40787
ANPRM Comment Period Ends	11/26/99	
NPRM	06/00/00	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** 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

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RIN: 3133-AC28**4529. • PROMPT CORRECTION ACTION****Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 12 USC 1790d**CFR Citation:** 12 CFR 702.102; 12 CFR 702.103**Legal Deadline:** Final, Statutory, August 7, 2000, Imposed by Credit Union Membership Access Act 301(d)(2)(B).**Abstract:** The Credit Union Membership Access Act amended the Federal Credit Union Act to require NCUA to define credit unions which are "complex" by reason of their portfolio or assets and liabilities and to develop a risk-based net worth requirement to apply to "complex" credit unions which are either "well capitalized" or "adequately capitalized" under NCUA's system of prompt corrective action. Under the proposed rule, the risk-based net worth requirement takes the form of a basis points addition to the 6 percent net worth ratio. As mandated by statute, a credit union that is either "adequately capitalized" or "well capitalized" whose net worth net ratio does not meet its risk-based net worth requirement will be downgraded to "undercapitalized."

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Proposed Rule Stage

Timetable:

Action	Date	FR Cite
NPRM	11/00/99	
Final Action	08/00/00	
Final Action Effective	01/00/01	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Steven W. Widerman, Trial Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314
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RIN: 3133-AC30

4530. • TRUSTEES AND CUSTODIANS OF PENSION PLAN

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

Legal Authority: 12 USC 1757(6); 12 USC 1757(17)

CFR Citation: 12 CFR 724; 12 CFR 745

Legal Deadline: None

Abstract: Amendments of sections 724 and 745 to permit Federal credit unions in Puerto Rico to offer Individual Retirement Accounts and to clarify that they will be separately insured.

Timetable:

Action	Date	FR Cite
NPRM	10/15/99	64 FR 55871

Action	Date	FR Cite
NPRM Comment	12/14/99	
Period End		
Final Action	03/00/00	
Final Action Effective	04/00/00	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: 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
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RIN: 3133-AC32

National Credit Union Administration (NCUA)

Final Rule Stage

4531. 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: An amendment to the current regulation will conform it to the recent changes made to the Depository Institutions Management Interlocks Act (the Interlocks Act). The amendment to the Interlocks Act raised 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. Also, the amendment of the Interlocks Act expanded the exemptive authority of the OCC and other federal banking agencies.

Timetable:

Action	Date	FR Cite
NPRM	10/29/98	63 FR 57945
NPRM Comment	01/27/99	
Period End		
Final Action	11/00/99	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

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RIN: 3133-AB93

4532. PROMPT CORRECTIVE ACTION

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1790(d)

CFR Citation: 12 CFR 702

Legal Deadline: Final, Statutory, May 4, 1999.

Abstract: A new provision of the Federal Credit Union Act, as added by the Credit Union Membership Access Act, requires the NCUA Board to adopt, by regulation, a system of prompt corrective actions to be taken by the NCUA when a federally insured credit union becomes undercapitalized. The system will be indexed to each of five capital categories which the new provision establishes for federally insured credit unions. Much of the system of prompt corrective action either is already prescribed by the new provision itself or is required to be comparable with the system Congress established for other federally insured financial institutions in 1991.

Timetable:

Action	Date	FR Cite
ANPRM	10/29/98	63 FR 57938
ANPRM Comment	01/27/99	
Period End		
NPRM	05/18/99	64 FR 27090

Action	Date	FR Cite
NPRM Comment	08/16/99	
Period End		
Extension of Comment	08/17/99	64 FR 44663
Period to 08/31/99		
Final Action	01/00/00	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

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RIN: 3133-AC14

4533. SHARE INSURANCE AND APPENDIX

Priority: Info./Admin./Other

Legal Authority: 12 USC 1766; 12 USC 1781; 12 USC 1789

CFR Citation: 12 CFR 745

Legal Deadline: None

Abstract: This regulation describes the insurance coverage of various types of

NCUA

Final Rule Stage

member accounts. NCUA simplified this regulation to increase members' understanding of their insurance coverage.

Timetable:

Action	Date	FR Cite
Interim Final Rule	04/22/99	64 FR 19685
Interim Final Rule Effective	04/22/99	
Interim Final Rule Comment Period End	07/15/99	
Final Action	05/00/00	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Frank S. Kressman, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AC23

4534. • CREDIT UNION SERVICE ORGANIZATION

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1756; 12 USC 1757(5)(D) and (7)(I); 12 USC 1766; 12 USC 1782; 12 USC 1784-86

CFR Citation: 12 CFR 712

Legal Deadline: None

Abstract: The interim final rule provides a grandfather exemption for

real estate brokerage services if a credit union service organization was providing that service prior to April 1, 1998, and requests comment on that exemption and whether real estate brokerage services should be reinstated as a permissible credit union service organization service.

Timetable:

Action	Date	FR Cite
Interim Final Rule	06/22/99	64 FR 33187
Interim Final Rule Effective	07/22/99	
Interim Final Rule Comment Period End	08/20/99	
Final Action	11/00/99	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: 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
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RIN: 3133-AC29

4535. • SECONDARY CAPITAL

Priority: Info./Admin./Other

Legal Authority: 12 USC 1752(5); 12 USC 1755-57; 12 USC 1759; 12 USC 1761a-b; 12 USC 1766-67; ...

CFR Citation: 12 CFR 701.34

Legal Deadline: None

Abstract: The NCUA is amending its regulation regarding secondary capital accounts in low-income designated credit unions to specify that interest on these accounts may be accrued in the account, paid directly to the investor, or paid into a separate account from which an investor may make withdrawals. The NCUA believes that these changes will clarify the permissible alternatives and provide additional flexibility for low-income designated credit unions.

Timetable:

Action	Date	FR Cite
NPRM	07/28/99	64 FR 40786
NPRM Comment Period End	09/27/99	
Final Action	10/00/99	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Frank S. Kressman, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428
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RIN: 3133-AC31

National Credit Union Administration (NCUA)

Completed Actions

4536. 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; 12 CFR 722; 12 CFR 723; 12 CFR 741

Legal Deadline: None

Abstract: On November 19, 1998, the NCUA issued an interim final rule concerning member business loans and appraisals for federally insured credit unions as well as implementing recent statutory limitations regarding member business loans. The interim final rule was published in the Federal Register on November 27, 1998 (63 Federal Register 65532). The NCUA Board requested comments on the interim final rule by November 30, 1998. Upon request, the Board extended the comment period for an additional 60 days to January 29, 1999. The NCUA Board issued a final rule on May 19, 1999 (64 Federal Register 28721).

Timetable:

Action	Date	FR Cite
NPRM	08/01/97	62 FR 41313
NPRM Comment Period End	09/30/97	
Interim Final Rule	11/27/98	63 FR 65532
Final Action	05/19/99	64 FR 28721

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

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

NCUA

Completed Actions

Email: ogc@ncua.gov

RIN: 3133-AB91

4537. FEDERAL CREDIT UNION BYLAWS

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1758

CFR Citation: None

Legal Deadline: None

Abstract: The proposed changes consolidate the two manuals that currently contain the Federal credit union bylaws into one manual and eliminate or modernize several bylaws. This action is necessary because several of the bylaws had become outdated or obsolete. The proposal is intended to update and clarify the Federal credit union bylaws.

Timetable:

Action	Date	FR Cite
ANPRM	03/13/97	62 FR 11778
ANPRM Comment Period End	06/12/97	62 FR 19702
NPRM	01/04/99	64 FR 187
NPRM Comment Period End	04/05/99	
Final Action	10/14/99	64 FR 55760
Final Action Effective	10/14/99	

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

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RIN: 3133-AB94

4538. 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; 12 USC 1784

CFR Citation: 12 CFR 701.14

Legal Deadline: None

Abstract: The NCUA Board amends its regulation dealing with newly chartered

and troubled credit unions that require prior notice of the appointment or employment of directors and senior officers. The amendment clarifies when the notice period commences and when the new director or senior officer may begin service.

Timetable:

Action	Date	FR Cite
NPRM	11/05/98	63 FR 59742
NPRM Comment Period End	02/03/99	
Final Action	05/27/99	64 FR 28715
Final Action Effective	06/28/99	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: 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

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RIN: 3133-AC03

4539. FIDELITY BOND AND INSURANCE COVERAGE OF FEDERAL CREDIT UNIONS

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; 12 USC 1784

CFR Citation: 12 CFR 701.20; 12 CFR 713; 12 CFR 741

Legal Deadline: None

Abstract: The final rule updates, clarifies, revises and redesignates NCUA's regulation that addresses the requirements for surety bond coverage for losses caused by credit union employees and officials and for general insurance coverage for losses caused by persons outside of the credit union, e.g. vandalism. The final rule recasts the rule in plain English format and adds several previously approved bond forms to the regulation.

Timetable:

Action	Date	FR Cite
NPRM	01/04/99	64 FR 58
NPRM Comment Period End	03/05/99	
Final Action	05/27/99	64 FR 28718

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

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RIN: 3133-AC04

4540. CHARITABLE CONTRIBUTIONS

Priority: Info./Admin./Other

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

CFR Citation: 12 CFR 701.25

Legal Deadline: None

Abstract: The NCUA incorporated into its regulations the agency's long-standing interpretation that Federal credit unions are authorized, within limits, to make charitable contributions and donations.

Timetable:

Action	Date	FR Cite
NPRM	10/29/98	63 FR 57942
NPRM Comment Period End	01/27/99	
Final Action	04/21/99	64 FR 19443
Effective Date	05/21/99	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Frank S. Kressman, Staff Attorney, Office of General Counsel, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428

Phone: 703 518-6540

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RIN: 3133-AC15

4541. CREDIT UNION SERVICE ORGANIZATIONS

Priority: Info./Admin./Other

Legal Authority: 12 USC 1756; 12 USC 1757(5)(D) and (7)(I); 12 USC 1766; 12 USC 1782; 12 USC 1784; 12 USC 1785 to 1786

CFR Citation: 12 CFR 712

Legal Deadline: None

NCUA

Completed Actions

Abstract: The final rule deletes a provision preventing Federal credit unions from investing in or lending to Credit Union Service Organizations in which non-credit union depository institutions are co-investors or lenders; revises a provision limiting Credit Union Service Organization investments in non-Credit Union Service Organization service providers; deletes a provision preventing Federal credit unions from investing in the debentures of a Credit Union Service Organization; and clarifies how the NCUA measures the limit on a Federal credit union investment in or loans to Credit Union Service Organizations. In addition, the final rule clarifies the meaning of cyber financial services. The changes decrease the regulatory burden for Federal credit unions investing in or lending to Credit Union Service Organizations.

Timetable:

Action	Date	FR Cite
NPRM	11/30/98	63 FR 65714
NPRM Comment Period End	03/01/99	
Final Action	06/22/99	64 FR 33184

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** 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
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RIN: 3133-AC16**4542. STATUTORY LIEN****Priority:** Substantive, Nonsignificant

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

CFR Citation: 12 CFR 701.39**Legal Deadline:** None

Abstract: The NCUA final rule updates, clarifies, and converts to a regulation the provisions of its existing Interpretive Ruling and Policy Statement 82-5 which implements the Federal Credit Union Act's authority to establish a statutory lien. Like the Interpretive Ruling and Policy

Statements, the rule permits a Federal credit union to impress a statutory lien upon the shares and dividends of a member, and enforces that lien to satisfy the member's outstanding indebtedness to the credit union, even when such indebtedness is not secured by shares.

Timetable:

Action	Date	FR Cite
NPRM	10/29/98	63 FR 57943
NPRM Comment Period End	01/27/99	
Final Action	10/22/99	64 FR 56953
Final Action Effective	11/22/99	

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None

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Phone: 703 518-6540
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RIN: 3133-AC17**4543. SUPERVISORY COMMITTEE AUDITS AND VERIFICATIONS****Priority:** Substantive, Nonsignificant

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

CFR Citation: 12 CFR 701; 12 CFR 713; 12 CFR 741**Legal Deadline:** None

Abstract: The Credit Union Membership Access Act has amended certain audit and financial reporting requirements of the Federal Credit Union Act. The NCUA solicited public comment on proposed rules implementing those amendments. The amendments specify the minimum annual audit a credit union is required to obtain according to its charter type and asset size, the licensing authority required of persons performing certain audits, the auditing principles which apply to certain audits and the accounting principles which must be followed in reports filed with the NCUA Board.

Timetable:

Action	Date	FR Cite
NPRM	01/06/99	64 FR 776
NPRM Comment Period End	03/08/99	
Final Action	07/29/99	64 FR 41029

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None

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RIN: 3133-AC18**4544. ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS SAFE DEPOSIT BOX SERVICE****Priority:** Substantive, Nonsignificant

Legal Authority: 12 USC 1752(5); 12 USC 1798; 12 USC 1755 to 1757; 12 USC 1759; 12 USC 1761a; 12 USC 1761b; 12 USC 1766 to 1767; 12 USC 1782; 12 USC 1784; 12 USC 1787; 12 USC 1789

CFR Citation: 12 CFR 701.30**Legal Deadline:** None

Abstract: The NCUA Board removed its rule governing safe deposit box service. This revision eliminated an unnecessary section from the regulations.

Timetable:

Action	Date	FR Cite
NPRM	01/04/99	64 FR 57
NPRM Comment Period End	03/05/99	
Final Action	05/27/99	64 FR 28717

Regulatory Flexibility Analysis**Required:** No**Small Entities Affected:** No**Government Levels Affected:** None

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RIN: 3133-AC19

NCUA

Completed Actions

4545. TRUTH IN SAVINGS**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 4311**CFR Citation:** 12 CFR 707**Legal Deadline:** None

Abstract: NCUA amended part 707 of its regulations to implement certain statutory changes in the Truth in Savings Act. These amendments: modify the rules governing indoor lobby signs; eliminate subsequent disclosure requirements for automatically renewable term share accounts with terms of one month or less; repeal Truth in Saving's civil liability provisions as of September 30, 2001; and permit disclosure of an annual percentage yield equal to the contract dividend rate for term share accounts with maturities greater than one year that do not compound but require dividend distributions at least annually.

Timetable:

Action	Date	FR Cite
Interim Final Rule	12/29/98	63 FR 71573
Final Action	06/21/99	64 FR 33009

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None

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RIN: 3133-AC20**4546. CONVERSION OF INSURED CREDIT UNIONS TO MUTUAL SAVINGS BANKS****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1766; 12 USC 1785(b)**CFR Citation:** 12 CFR 708a**Legal Deadline:** None

Abstract: The NCUA revised its rules governing the conversion of insured credit unions to mutual savings banks

or savings associations. These revisions will simplify the charter conversion process and reduce regulatory burden for insured credit unions that choose to convert. NCUA made the revisions in compliance with recent federal legislation requiring the changes.

Timetable:

Action	Date	FR Cite
Interim Final Rule	11/27/98	63 FR 65532
Final Action	05/27/99	64 FR 28733

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None

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RIN: 3133-AC21**4547. REQUIREMENTS FOR INSURANCE****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1782a**CFR Citation:** 12 CFR 741.4**Legal Deadline:** Final, Statutory, January 1, 2000.

Abstract: A new provision of section 202 of the Federal Credit Union Act, added by the Credit Union Membership Act, requires NCUA to amend its regulations requiring federally insured credit unions to file a certified statement showing the total amount of insured shares in the credit union at the end of a relevant reporting period. The certified statement would show both the amount of its deposit or adjustment of deposit and the amount of the insurance charge due to the National Credit Union Share Insurance Fund.

Timetable:

Action	Date	FR Cite
NPRM	05/26/99	64 FR 28415
Comment Period End	07/26/99	
Final Action	10/18/99	64 FR 56148
Final Action Effective	01/01/00	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None

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RIN: 3133-AC22**4548. LOAN INTEREST RATES****Priority:** Info./Admin./Other**Legal Authority:** 12 USC 1752(5); 12 USC 1766; 12 USC 1755 to 1757; 12 USC 1759; 12 USC 1761a; ...**CFR Citation:** 12 CFR 701.21**Legal Deadline:** None

Abstract: The NCUA Board continues an 18 percent federal credit union loan rate ceiling for the period from March 9, 1999, through September 8, 2000. Loans and lines of credit balances existing prior to May 18, 1987, may continue to bear their contractual rate of interest, not to exceed 21 percent. The Board is prepared to reconsider the 18 percent ceiling at any time should changes in economic conditions warrant.

Timetable:

Action	Date	FR Cite
Final Rule	02/08/99	64 FR 5927
Final Action Effective	03/09/99	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** No**Government Levels Affected:** None

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RIN: 3133-AC25

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