

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** March 17, 2010

**FROM:** Office of General Counsel

**SUBJ:** Proposed Rule -  
Parts 701, 723, and 742

**ACTION REQUESTED:** Board approval of proposed rule revising NCUA's Regulatory Flexibility Program to enhance safety and soundness for credit unions. 12 C.F.R. Part 742.

**DATE ACTION REQUESTED:** March 18, 2010.

**OTHER OFFICES CONSULTED:** All Regional Offices and E&I.

**VIEWS OF OFFICES CONSULTED:** Concur.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** No.

**RESPONSIBLE STAFF MEMBER:** Frank Kressman, Staff Attorney, Office of General Counsel.

**SUMMARY:** Staff recommends the Board issue the attached proposed rule to revise certain provisions of NCUA's Regulatory Flexibility Program to enhance safety and soundness for credit unions. Those provisions pertain to fixed assets, member business loans (MBL), stress testing of investments, and discretionary control of investments. Some of these revisions will require conforming amendments to NCUA's fixed assets and MBL rules.

**RECOMMENDED ACTION:** Recommend the Board issue the proposed rule.

**ATTACHMENT:** Proposed rule.