

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: April 6, 2011

FROM: Office of General Counsel /s/
Office of Corporate Credit Unions /s/

SUBJ: Final Rule – Corporate
Credit Unions (12 C.F.R. Part
704)

ACTION REQUESTED: Board approval to issue the attached final rule governing corporate credit unions.

DATE ACTION REQUESTED: April 21, 2011.

OTHER OFFICES CONSULTED: E & I, Regions, OCM, OCFO, OSCUI, OCP.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Jacqueline Lussier, Elizabeth Wirick, and Lisa Henderson, Staff Attorneys, Office of General Counsel; David Shetler, Deputy Director, Office of Corporate Credit Unions.

SUMMARY: The attached final rule requires corporate credit unions (corporates) to establish new internal control reporting requirements, establish an enterprise-wide risk management committee staffed with a risk management expert, conduct all board of director votes as recorded votes, and disclose certain CUSO compensation received by employees who are dual employees of corporates and corporate CUSOs. It also permits corporates to charge reasonable one-time or periodic membership fees as necessary to facilitate retained earnings growth.

RECOMMENDED ACTION: The NCUA Board issue the attached final rule.

ATTACHMENT: Final rule.