

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: October 2, 2013

FROM: Office of General Counsel
Office of Examination and Insurance

SUBJ: Part 741 Final Rule -- Liquidity
and Contingency Funding Plans

ACTION REQUESTED: Board approval to issue the attached final rule.

DATE ACTION REQUESTED: October 24, 2013.

OTHER OFFICES CONSULTED: Regions, ONES, OSCUI.

VIEWS OF OTHER OFFICES CONSULTED: Pending.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Owen Cole, Director, Division of Credit and Capital Markets, Office of Examination and Insurance, and Lisa Henderson, Staff Attorney, Office of General Counsel.

SUMMARY: The final rule requires federally insured credit unions (FICUs) with less than \$50 million in assets to maintain a basic written policy that provides a credit union board-approved framework for managing liquidity and a list of contingent liquidity sources that can be employed under adverse circumstances. The rule requires FICUs with assets of \$50 million or more to have a contingency funding plan that clearly sets out strategies for addressing liquidity shortfalls in emergency situations. Finally, the rule requires FICUs with assets of \$250 million or more to have access to a backup federal liquidity source for emergency situations.

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

ATTACHMENT: Final rule.