

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: February 18, 2014

FROM: Office of General Counsel

SUBJ: Proposed Rule –
Associational Common Bond

ACTION REQUESTED: Board approval of the attached proposed rule regarding the associational common bond requirements in the Chartering and Field of Membership Manual.

DATE ACTION REQUESTED: April 24, 2014.

OTHER OFFICES CONSULTED: Regions, E&I, and OCP.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Sarah Chung, Staff Attorney, Office of General Counsel; Rita Woods, Director of the Division of Consumer Access – South, Office of Consumer Protection; and Robert Leonard, Director of the Division of Consumer Access – Regions I, II, and V, Office of Consumer Protection.

SUMMARY: This proposed rule would amend the associational common bond requirements in the Chartering and Field of Membership Manual, under Appendix B of Part 701. These amendments expand the totality of the circumstances test, which is used to determine if a group satisfies the associational common bond requirements to qualify to join a federal credit union's (FCU) field of membership. The expansion of this test will help to ensure FCU compliance with field of membership requirements. The proposed rule will also grant automatic qualification to certain groups that NCUA has repeatedly approved in the past.

RECOMMENDED ACTION: Recommend the Board approve the proposed rule.

ATTACHMENT: Proposed rule.