

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: March 31, 2015

FROM: Office of General Counsel

SUBJ: Final Rule –
Associational Common Bond

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

DATE ACTION REQUESTED: April 30, 2015.

OTHER OFFICES CONSULTED: OCP.

VIEWS OF OTHER OFFICES CONSULTED: Concur.

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Rita Woods, Director, Division of Consumer Access–South (Regions III and IV), Office of Consumer Protection; Robert Leonard, Director, Division of Consumer Access– Regions I, II, and V, Office of Consumer Protection and Frank Kressman, Associate General Counsel, Office of General Counsel.

SUMMARY: This final rule amends the associational common bond requirements in the Chartering and Field of Membership Manual, Appendix B to 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 (FOM). The expansion of this test helps to ensure FCU compliance with FOM requirements. The final rule also provides regulatory relief by granting automatic qualification to certain groups.

RECOMMENDED ACTION: Recommend the Board approve the final rule.

ATTACHMENT: Final rule.