



National Credit Union Administration
Office of General Counsel

TO: NCUA Board **DATE:** November 18, 2019
FROM: Office of Examination and Insurance **SUBJ:** Final Rule – Delay of Effective
Office of General Counsel Date of the Risk-Based Capital
Rules (Part 702)

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

DATE ACTION REQUESTED: December 12, 2019.

OTHER OFFICES CONSULTED: None.

VIEWS OF OTHER OFFICES CONSULTED: N/A

BUDGET IMPACT, IF ANY: There is no estimated incremental budget impact. The budgetary impact caused by the 2015 Final Risk-Based Capital Rule (2015 Final Rule) and 2018 Supplemental Risk-Based Capital Rule (2018 Supplemental Rule) have previously been captured.

The 2015 Final Rule and 2018 Supplemental Rule estimated incremental non-recurring costs to update the call report, Automated Integrated Regulatory Examination System (AIRES), risk reports, Financial Performance Report (FPR), and workload and exam management tools. The agency has conducted much of the development work to implement the risk-based capital rule. Remaining implementation activities will occur through 2022 under this final rule, the cost of which are already accounted for with the NCUA's modernization initiatives.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Larry Fazio, Director Office of Examination and Insurance; Julie Cayse, Director of Risk Management, Office of Examination and Insurance; and Rachel Ackmann, Senior Staff Attorney, Office of General Counsel.

SUMMARY: At its June 20, 2019 meeting, the Board issued a proposed rule to amend the NCUA's previously revised regulations regarding prompt corrective action (PCA). The Board received 29 comment letters and no changes have been made in response to comments. The final rule delays the effective date of the NCUA's 2015 Final Rule and 2018 Supplemental Final Rule, moving the effective date of both rules to January 1, 2022. During the extended delay period, the NCUA's current PCA requirements remain in effect.

RECOMMENDED ACTION: NCUA Board approve the attached final rule.

ATTACHMENT: Final rule.