



National Credit Union Administration
Office of General Counsel

TO: NCUA Board
DATE: February 7, 2020
FROM: Office of National Examinations
and Supervision
Office of General Counsel
SUBJ: Proposed Rule – Corporate
Credit Unions (Part 704)

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

DATE ACTION REQUESTED: February 20, 2020.

OTHER OFFICES CONSULTED: None.

VIEWS OF OTHER OFFICES CONSULTED: N/A

BUDGET IMPACT, IF ANY: There is no estimated budget impact.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Robert Dean, National Supervision Analyst, Office of National Examinations and Supervision; Rachel Ackmann, Senior Staff Attorney, Office of General Counsel.

SUMMARY: The proposed rule would amend the NCUA's corporate credit union regulation. The proposed rule would update, clarify, and simplify several provisions of the NCUA's corporate credit union regulation, including: (1) Permitting a corporate credit union to make a minimal investment in a credit union service organization (CUSO) without the CUSO being classified as a corporate CUSO under part 704 of the NCUA's rules; (2) Expanding the categories of senior staff positions at member credit unions eligible to serve on a corporate credit union's board; (3) Removing the minimum experience and independence requirement for a corporate credit union's enterprise risk management expert; and (4) Requiring a corporate credit union to deduct certain investments in subordinated debt instruments issued by natural person credit unions.

RECOMMENDED ACTION: The NCUA Board approve the attached proposed rule for publication in the *Federal Register* for a 60-day comment period.

ATTACHMENT: Proposed rule.