

BOARD ACTION MEMORANDUM

TO: NCUA Board **DATE** January 4, 2019
FROM: Regional Director Cherie L. Freed **SUBJ:** Proposed Changes
to Illinois Member
Business Loan Rule

ACTION REQUESTED: Approve the proposed revised Illinois MBL Rule, §190.165.

DATE ACTION REQUESTED: January 17, 2019

OTHER OFFICES CONSULTED: Offices of Examination and Insurance (E&I) and General Counsel (GC)

VIEWS OF OTHER OFFICES CONSULTED: E&I approved the proposed rule change on December 27, 2018. On January 2, 2019, GC stated they have no legal objection to the Illinois state rule as amended.

BUDGET IMPACT, IF ANY: None

RESPONSIBLE STAFF PERSON: Regional Director Cherie L. Freed, ARDO Linda Thompson, DOS Director Larry Schoeberl, Supervision Analyst Sean McLeod

SUMMARY:

The NCUA Board approved the Illinois Member Business Loan Rule on June 20, 2013, by unanimous vote. The NCUA Board approved changes to the rule on April 20, 2017, by unanimous vote. The State of Illinois has now submitted a request for the NCUA Board to approve their revised final member business loan rule to provide parity with NCUA's revised rule Part 723.

The Western Region performed a review and found the Illinois MBL rule changes substantially mirror NCUA's Part 723 changes effective June 5, 2018.

CONCLUSION: We do not expect the rule, as proposed, to cause future safety and soundness concerns. We recommend the NCUA Board approve the Illinois rule. We believe approval of the Illinois Member Business Loan Rule would not result in an unacceptable exposure to the NCUSIF.

RECOMMENDED ACTION: We recommend the NCUA Board approve the Illinois Member Business Loan Rule.