

Key CUNA Points Regarding 2013 NCUA Regulatory Review

Credit Union Service Organizations – Part 712

- CUNA continues to oppose NCUA's proposed CUSO regulation.
- NCUA should update and minimize CUSO financial statement audit requirements.
- NCUA should revamp CUSO requirements in the proposed derivatives rule.

Fidelity Bond and Insurance Coverage – Part 713

- CUNA supports a waiver process under which credit unions that no longer qualify for the higher deductible could have more than the 30 days in the proposal to obtain the required coverage.

Leasing – Part 714

- Credit unions should have the authority to determine assignability of a lease.
- Eliminate or modify residual value requirements.
- Clarify that this rule applies to consumer and business lending.

Privacy – Part 716

- Eliminate annual privacy requirement (goal).
- Agency should support CFPB and efforts through Congress to eliminate annual privacy notice requirement.

Fair Credit Reporting (FACT Act) – Part 717

- Regulation should be eliminated because CFPB now has responsibility.
- Alternatively, NCUA should review its rules to reduce cumulative FACT Act burdens.
- NCUA should also work with CFPB to reduce FACT Act burdens.

Incidental Powers – Part 721

- Allow FCUs to engage in incidental activities authorized for state credit unions in the state or states in which they operate, to the extent such powers are not inconsistent with the FCU Act.
- Supplement NCUA's three-part test for determining an incidental power with the approach used by the Comptroller of the Currency in recent opinion letters, which broadens the test and renders it more flexible.
- Approve the following:

- Allow FCUs to accept pre-paid funeral home accounts under the Trustee or Custodial Services category;
- Permit FCUs to manage repossessed residential properties for other credit unions; and
- Authorize a foreign currency investment pilot program.

Appraisals – Part 722

- NCUA’s requirements should not be more stringent than those of bank regulators. New appraisals are required under certain conditions, which is stricter than the bank rule.
- Modify appraisal requirements to align with the guidance provided by the December 2010 Interagency Appraisal and Evaluation Guidelines.

Member Business Loans – Part 723

- Eliminate all requirements that are not specifically stated in the FCU Act, such as construction and development loan limits; the requirement for the personal guarantee of the borrower(s); loan-to-value ratios; appraisal requirements, and others. These provisions should be eliminated for well-managed, well capitalized credit unions that operate successful MBL programs.
- Champion legislation increasing cap with Congress.
- Revisit exemptions under “history of primarily making” language in the FCU Act.
- Improve personal guarantee requirement.

Central Liquidation Facility – Part 725

- Work with Congress and GAO to update CLF requirements.

Accuracy of Advertising and Notice of Insured Status – Part 740

- Simplify rules and put them in line with FDIC requirements.

Share Insurance – Part 741

- Reduce costs from 1.3% to 1.2%.

Administrative – Part 747

- Update exam appeals process to ensure fairness.
- Update appeals process for other administrative issues.