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Description of document: Four (4) National Credit Union Administration (NCUA)  
Office of the Executive Director Management Reports,  
December 2016-March 2017

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National Credit Union Administration  
Office of General Counsel  
1775 Duke Street, Alexandria, VA, 22314  
Fax: 703-518-6569  
Email: [FOIA@ncua.gov](mailto:FOIA@ncua.gov)

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## National Credit Union Administration

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November 9, 2017

SENT BY E-MAIL

This letter responds to your most recent Freedom of Information Act request. You requested a copy of the last four monthly management reports by the agency's Office of the Executive Director.

Your request is granted in part. Attached are approximately 160 pages, some of which are partially redacted. The withheld information qualifies for protection under one or more of the FOIA exemptions at 5 U.S.C. § 552(b)(2), (b)(4), (b)(5), (b)(6), (b)(7)(E), and (8) meaning as follows:

- subsection (b)(2) permits withholding of records related solely to the internal personnel rules and practices of an agency;
- subsection (b)(4) protects trade secrets and commercial or financial information obtained from a person that is privileged or confidential;
- subsection (b)(5) protects inter-agency or intra-agency memoranda or letters which would not be available by law to a party other than an agency in litigation with the agency;
- subsection (b)(6) protects information about individuals in personnel and medical files and similar files when the disclosure of such information would constitute a clearly unwarranted invasion of personal privacy;
- subsection 7(E) affords protection to law enforcement information that would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law; and
- subsection (b)(8) protects matters that are contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.

For further assistance or to discuss your request, you may contact me and the FOIA Requester Service Center, as well as our FOIA Public Liaison by telephone at 703-518-6540 or by e-mail at [FOIA@ncua.gov](mailto:FOIA@ncua.gov). You also have the option to contact the Office of Government Information Services at the National Archives and Records Administration to inquire about FOIA mediation services. Contact information is: OGIS: NARA, 8601 Adelphi Rd.-OGIS, College Park, MD 20740-6001; e-mail [ogis@nara.gov](mailto:ogis@nara.gov); telephone 202-741-5770; toll free 1-877-684-6448; or fax 202-741-5769.

Page 2

November 9, 2017

If you are not satisfied with the FOIA response, you may file an administrative appeal. It must be in writing and postmarked, or electronically transmitted, within 90 days from today. If you file an appeal, please write "FOIA-APPEAL" in the letter and on the envelope (or in the subject line if by e-mail to [FOIA@ncua.gov](mailto:FOIA@ncua.gov)) and address it to: NCUA, Office of General Counsel - FOIA APPEAL, 1775 Duke St., Alexandria, VA 22314-3428.

Sincerely,

A handwritten signature in blue ink that reads "Regina Metz". The signature is written in a cursive, flowing style.

Regina Metz  
Senior Attorney Advisor

GC/RM:CS  
17-FOI-00087  
Attachment



National Credit Union Administration  
Office of the Executive Director

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**DECEMBER 23, 2016**

**CONFIDENTIAL**

**OFFICE OF THE EXECUTIVE DIRECTOR  
MANAGEMENT REPORT**

## **TABLE OF CONTENTS**

Public and Congressional Affairs

Ombudsman Report

Office of Minority and Women Inclusion

Office of Continuity Security Management

Office of Small Credit Union Initiatives

Office of Chief Information Officer

Business Innovation

Office of Examination & Insurance

Office of the Chief Economist

Office of the Chief Financial Officer

Office of Human Resources

Office of Consumer Financial Protection Access

Office of General Counsel

Open Board Action Items

Schedule of Activity for Board Members

Senior Office Director Schedule of Activity

Regional Director/Region I

Regional Director/Region II

Regional Director/Region III

Regional Director/Region IV

Regional Director/Region V

Asset Management and Assistance Center

Office of National Examinations and Supervision

**Back to top**

## **PUBLIC AND CONGRESSIONAL AFFAIRS**

- **ADMINISTRATIVE**

- **SOCIAL MEDIA PROGRAM**

- ***Videos.*** PACA coordinated the release of OSCUI's *Understanding Financial Statements* for credit union board directors and the agency's internal staff training on plain writing. PACA has several projects in production, including E&I's internal cybersecurity training for field staff, OCE's December economic update and OSCUI's key ratio videos, which will be a part of OSCUI's comprehensive educational video series.
- ***Social Media Performance.*** In November, combined, retweets, mentions and shares on NCUA's social media sites were down roughly 17 percent from the previous month. Nevertheless, PACA's social media program drove more than 38,000 users to NCUA's public websites during the month.

- **PUBLIC AFFAIRS**

- ***Press Releases.*** In November, PACA coordinated 14 press releases on topics that included the Nomura settlement, the liquidation of the First African Baptist Church Federal Credit Union, nominations for consulting assistance, the 2017 Call Report deadlines, and the November open Board meeting.
- ***Media Inquiries and Interviews.*** PACA responded to 16 media inquiries in November on topics like the agency's field-of-membership rule, the joint agency proposed rule on incentive-based compensation, the condition of taxi medallion credit unions, and the 2017–2018 budget. PACA arranged six media interviews during the month, on topics including the field-of-membership rule, what small credit unions can do to boost earnings, and the agency's efforts to promote credit union diversity.
- ***Newsletter Year-to-date Performance.*** Year-to-date, all versions of *The NCUA Report* newsletter had 99,447 page views, which continues to be significantly less than what the newsletter had at this point last year and well below the agency's annual performance goal.
- ***Annual Report.*** PACA and OCFO are in the process of developing the agency's *2016 Annual Report*. Both offices have finalized a project plan and have begun drafting sections of the report. PACA anticipates completing the report in early March.

- **CONGRESSIONAL AFFAIRS**

- ***House Financial Services Committee.*** Next year, there will be at least 11 new members of the House Financial Services Committee, assuming the panel's size remains the same. Once the new members are named, PACA will conduct outreach to educate staff about the agency. Additionally, **Chairman Hensarling (R-TX)** and **Ranking Member Waters (D-CA)** were both reappointed to their leadership positions on the panel.

- **Incentive-Based Compensation Rulemaking.** On November 10, PACA delivered responses to two group letters received in October from House and Senate Democrats requesting the agencies to strengthen the proposed rule on incentive-based compensation called for by section 956 of the Dodd-Frank Act. During November, PACA also responded a call from staff with **Senate Banking Ranking Member Brown (D-OH)** inquiring about the likelihood of finalizing the incentive-based compensation rulemaking before January 20, 2017.
- **Mulvaney Budget Letter.** On November 21, PACA received a letter from **Congressman Mulvaney (R-SC)**, who sits on the House Financial Services Committee. The letter thanked the NCUA Board for convening a budget briefing. It also raised questions about [REDACTED] on a response, which is due by December 21.
- **Loan Rate Ceiling Letter.** PACA began working with E&I on the required notification to Congress and the Administration that the NCUA Board plans to consider whether to extend the loan rate ceiling for federal credit unions at an upcoming meeting. The notice is required by the Federal Credit Union Act. The current 18-month period for the 18-percent loan ceiling ends in mid-March.
- **Low-Income Credit Unions** [REDACTED] In response to a request from **Congressman Poliquin (R-ME)**, PACA arranged a conference call on November 30 with the Congressman, Chairman Metsger, and CFPA staff to discuss the low-income designation of two credit unions which had recently fallen below the threshold. With input from CFPA, PACA is drafting a letter outlining these options and committing the agency to working with the credit unions.

[Back to top](#)

## **OMBUDSMAN REPORT**

### **- Cases**

<b>Month</b>	<b>Received</b>	<b>Completed</b>	<b>Outstanding</b>
<b>November 2016</b>	8	3	16
<b>Year to date</b>	31	23	16

### **Phone Calls**

<b>November 2016</b>	70
<b>Year to date</b>	584

### **Interagency Group:**

Coalition of Federal Ombudsman (CoFO):

- Discuss draft recommendations for The Ombudsman in Federal Agencies report.

## **November 2016 Supervisory Review Committee Report**

### **2016 Appeals**

<b>Credit Union</b>	<b>Month Rec'd</b>	<b>Status</b>	<b>Decision</b>
(b)(8)	October 6, 2015	FCU presented case to SRC on 01-20-16	Decision rendered 02-16-16
(b)(8) FCU	November 2, 2015	FCU presented case to SRC on 02-23-16	Decision rendered 04-20-2016
(b)(8) FCU	June 29, 2016	(b)(8);(b)(5)	TBD
(b)(8) FCU	July 19, 2016	FCU presented case to SRC on 11-07-16	Decision rendered 12-1-2016

[Back to top](#)

## **OFFICE OF MINORITY AND WOMEN INCLUSION**

### **PROGRAMS**

#### **- Assessing diversity within the Agency, at all levels including senior management.**

- OMWI produced a new one-page recruiting advertisement intended to attract diverse talent to the agency's applicant pool. The advertisement will be featured at future recruiting events and will be utilized in all of the agency's diversity circular advertisements.
- OMWI updated and the Chairman signed the agency's annual EEO and Diversity and Inclusion Statements. The updated statements will be distributed to all agency permanent and contracted staff and will be posted in all breakrooms and Regional offices.

#### **- Preserving credit unions run by minorities and/or serving minorities.**

- OMWI drafted the 2016 MDI Congressional Report and sent to OSCUI, E&I, OCP, and the regions to review and submit comments. Will forward to PACA upon review of offices' comments and recommended changes.
- Attended Region II and Region IV Management Meetings to discuss the topics of Credit Union Diversity Self-Assessment Checklist and Minority Depository Institution preservation.



- Keynote speaker during the CUNA Community Credit Union & The Federation 2016 Annual Conference on the topic of Sustaining Minority Credit Unions.

**- Assessing the diversity policies and practices of entities regulated by the agency.**

- Express message reminder sent to all Credit Unions to complete the voluntary diversity self-assessment checklist with the deadline extended to December 30, 2016. As of 11/30/2016, a total of 27 credit unions have submitted self-assessments.
- Participated in a podcast promoting the business case for diversity in credit unions

**- Increasing participation of minority-owned and women-owned businesses in the programs and contracts of the agency, including standards for coordinating technical assistance to such businesses.**

- Conducted minority- and women-owned vendor research for procurement initiatives at OCIO, E&I and AMAC.
- Assembled and distributed Request for Information to MWOBs for E&I econometric modeling contracting opportunity.

**- Affirmative Employment/Special Emphasis Programs**

- American Indian & Alaska Native Heritage Program examined the portrayal of Native American in our society held on November 1, 2016, guest speaker, Jody TallBear, Esq.
- NCUA's first Veterans Day observance on November 10, 2016 included T.C. Williams HS color guard and a panel of NCUA veterans.

**- Intern Program**

- Recruited two interns for OHR; (Benefits/Compensation); and (Labor/Employee Relations. Interns were recruited from HACU and INROADS.

**Back to top**

## **OFFICE OF CONTINUITY AND SECURITY MANAGEMENT**

(b)(5)

**• PROGRAM**

(b)(5)

(b)(5)

NCUA Instructions	Date Circulated	Status
	5/10/2016	Pending OED review
	11/2/2016	Pending second request to Offices/Regions for comment
	N/A	Under development

**- Continuity of Operations (COOP) and Emergency Management Projects**

(b)(5)

- **Management develop program (MDP) project:** MDP team will be in Central Office the week of December 5th for facilitated discussions on the mission essential functions (MEFs). The MDP team is

which will

- **Issuance of WIFI Hotspots to all staff in essential continuity positions (ECPs).** OCSM coordinated with OCIO to issue WIFI hotspots to all ECP staff that do not already have an NCUA-issued device. OCIO will issue the hotspots during the week of December 5<sup>th</sup>.

(b)(5)  
(b)(5);(b)(7)  
(E)

- **Physical Security Projects**

- 

- **Personnel Security Projects**

- 

(b)(5);(b)(2)

(b)(5);(b)(2)

Comments were due Dec 1<sup>st</sup>.

- **Employee 5- Year Reinvestigations:** In November, OCSM sent instructions to 83 employees with a request to complete e-QIP for their Tier 2 (moderate risk) reinvestigation. OCSM also will

(b)(5);(b)(2)

(b)(5);(b)(2)

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(b)(5)

- **National Security and Intelligence Analysis Program:**

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(b)(5)

(b)(5)

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OCSM, E&I, and OCIO updated the Chairman on FBIIC priorities prior to the FBIIC principals meeting Chaired by the Deputy Secretary of Treasury on December 1<sup>st</sup>.

[Back to top](#)

## **OFFICE OF SMALL CREDIT UNION INITIATIVES**

- **ADMINISTRATIVE**

- **Grants & Loans**

No data to report.

## **- Consulting and Training**

Loan Underwriting – *Back to Basics, Looking Beyond the FICO Score* webinar held on Nov. 9, with 844 attendees (out of 1,238 registrants). Our next webinar is scheduled for Dec. 7: *Vendor Management & Due Diligence*. Also, *Understanding Financial Statements*, part of a comprehensive series of educational videos developed for credit union board members, was released on Nov. 30.

## **- Partnership & Outreach**

**CDFI Certification Initiative:** OSCUI co-hosted the first Question & Answer conference call with the CDFI Fund for credit unions targeted for the new streamlined application. The call provided an opportunity to pose questions about the initiative and the benefits of CDFI certification. A credit union has submitted its application to the Fund under the new streamlined approach. NCUA drafted application instructions designed to make it easier for other credit unions to submit their application.

**Community Development Capital Initiative (CDCI):** OSCUI co-hosted a conference call with the U.S. Department of the Treasury to encourage the remaining credit union participants to consider Treasury's offer to redeem their CDCI investment this year. Examination and Insurance staff supported this effort by participating on the call and helping to draft guidance to credit unions.

**Community Solar Finance Summit:** OSCUI represented NCUA at this White House event to explore strategies to expand access to solar power for low and moderate income households. The focus was on how organizations such as community banks, credit unions, and CDFIs might use financial tools to improve such access.

**General Accounting Office Survey:** OSCUI completed the GAO survey regarding the Community Reinvestment Act with OCP support on some of the questions.

## **• PROGRAM**

The *Basics of Data Processing (and other Technology Service) Contracts* guide was released in early November.

**Back to top**

## **OFFICE OF CHIEF INFORMATION OFFICER**

- **ADMINISTRATIVE**

- **IPHONE DEPLOYMENT MOU**

- In November, OCIO finalized the draft iPhone Memorandum of Understanding (MOU) with OED and submitted to it NTEU. OCIO and OED are currently awaiting a response on a counter proposal from NTEU.

- **MAJOR PROGRAMS & INITIATIVES:**

- **EXAMINATION SOLUTIONS MODERNIZATION (ESM) UPDATE**

- The ESM Program Management Office submitted their responses to address the Plan of Action and Milestones (POAM) findings to the OCIO Security Office for concurrence. The POAM responses were submitted to obtain the Authority to Operate (ATO) of the Program Management Tool Suite (PMTS). The PMTS provides the program a means for tracking and reporting on schedule, costs, and risks, as well as managing documents and collaborative material.
  - The Examination & Supervision Solution (ESS) project team hosted information gathering sessions with five potential vendors in mid-November. In these sessions, the vendors provided product demonstrations which was the first exposure to Governance, Risk and Compliance (GRC) tools for many ESM Program team members. These sessions have provided valuable insight and direction on what is needed for a complete and comprehensive procurement package. The ESS project team is identifying the next steps to prepare and refine the final procurement package.
  - During November, the Data Collection & Sharing Solution (DCS) project team refined the To-Be Frameworks for the following: Call Report, CUSO Registry, Mergers, Conversions, Expansions (FOM), Low Income Designation (LID), Chartering, Grants & Loans, and Secure File Transfer Portal. As-Is functional and contextual architecture documentation for Call Report, GENISIS, FOMIA and MIS was finalized and delivered to the Business Innovation Director (BID) team for business review and approval. The DCS project team also developed an acquisition strategy recommendation in November, which was then presented to the ESM Senior Leadership Team for approval in December.
  - The Data Reporting Services (DRS) project team is currently building the over-arching strategy for data by leveraging existing strategy documentation, which includes the

(b)(5)

(b)(5)

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(b)(5)

- **RECORDS MANAGEMENT**

- **Records Disposal** Worked with NARA Records Center to approve the disposal of  boxes of temporary records and also to send  boxes of permanent records to the National Archives.

- Capstone – Completed final revisions and also received NARA’s approval on NCUA’s Capstone application. The Capstone application identifies the Senior Agency Management positions whose email is considered permanent per the General Records Schedule 6.1: Email Managed under a Capstone Approach guidelines.

#### **- REMOTE ACCESS OPTIMIZATION**

- The team implemented additional configurations to remote access in November including increasing bandwidth on the primary appliance, updating software on the appliance, and other configuration changes recommended by the vendor during the October call-in sessions. The team continues to receive positive feedback from customers on enhanced VPN performance.
- The Pulse Secure Client upgrade occurred in phases for all NCUA Staff, beginning on November 7th and concluding on December 2nd.
- As a result of October’s call-in sessions, the Service Desk began creating knowledge base articles to better assist customers with remote connectivity issues.
- (b)(5)

#### **- SYSTEMS & INFRASTRUCTURE:**

##### **- CORPORATE v2 INTERIM SOLUTION: PHASE II**

- Corporate CU Online is an updated web-based application supporting corporate credit unions (b)(5) Phase 2 of the Corporate Credit Union (CCU) Online interim solution (b)(5)

(b)(5)

CCU Online in January 2017. ONES held its final User Acceptance Testing (UAT) session with participation from a few corporate credit unions and is beginning preparation for production release.

##### **- CUSO REAFFIRMATION PILOT**

- The CUSO team successfully completed the pilot testing of the new Reaffirmation system function. The updated CUSO Registry software now supports registration, reaffirmation, and amendment functionality to fully enable the data collection cycle. Four CUSOs actively participated in the Pilot along with E&I. The four CUSOs completed the pilot, satisfied with the new features and clearing the path for the system rollout in February.

##### **- REGIONAL OFFICE CIRCUIT UPGRADE**

- In November, circuit upgrades that improve network access speeds were completed for Region II, IV and V. Region III is scheduled to be completed the week of December 5, 2016. At this point, all NCUA circuits have been upgraded to accommodate existing demand (b)(5);(b)(7)(E)

(b)(5);(b)(7)(E)

**- ENDPOINT PROTECTION SOLUTION**

- OCIO (b)(5) This (b)(5) protections. Communications on the upcoming Q1 deployment are targeted for January 2017.

**- ADDITIONAL TRANSIT EMAIL ENCRYPTION CAPABILITY**

- (b)(5) (b)(5) Upcoming instruction will be provided to explain how NCUA and its customers can leverage this enhanced capability in January 2017.

**- EMAIL PHISHING SOLUTION**

- (b)(5) (b)(5) Communications on the upcoming Q1 deployment are targeted for January 2017.

**Back to top**

## **BUSINESS INNOVATION**

- **PROGRAM**

- **ESM PROGRAM**

- Key dates and milestones are highlighted below for each ESM project.

- **Examination and Supervision Solution (ESS)**

- Vendor demos occurred the week of November 14<sup>th</sup>. The purpose of the demos was to validate industry research and provide exposure to GRC capabilities. We learned the GRC tools are highly configurable and should be able to meet our objectives for offline functionality, workflows, audit trail, team functionality, and alerts/notifications. Additional business objectives, including loan module, predictive analytics, scheduling, recording/tracking time, resource allocation, quality assurance/control, and monthly monitoring need more information or further refinement. We did not have enough time to see all functionality.

- We are working with OCIO and our program management contractor support on developing (b)(5)

(b)(5)

- **Data Collection and Sharing Solution (DCS)**

- We are working with OCIO and our program management contractor support to develop (b)(5)

(b)(5)

Next steps may include

(b)(5)

- **Data Enterprise Reporting Solution (DRS)**

- BID and OCIO are evaluating use of MicroStrategy for analytic project needs and how to assist users adopting the tool.

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(b)(5)

- **Organizational Change Management**

- We drafted an article for *The NCUA Report* to provide external stakeholders with an introduction to ESM.
- ESM SharePoint site is up and running. We added three FAQs on 11/29 based on questions we received during regional management meetings.

- **Advisory Group**

- The AG approved the charter on 11/29.
- The Advisory Group SharePoint site is also deployed.
- Next meeting planned for early February. Final date TBD.

**Back to top**

## **OFFICE OF EXAMINATION & INSURANCE**

- **ADMINISTRATIVE**

(b)(5);(b)(2)

- 1.
- 2.
- 3.
- 4.
- 5.

(b)(5);(b)(2)

6. [redacted]  
7. (b)(5);(b)(2)  
8. [redacted]  
9. [redacted]

### **I. CONCURRENCES**

E&I processed three concurrences in November 2016: one guaranteed line of credit, one non-federally insured credit union conversion, and [redacted] (b)(8)

### **II. CENTRAL LIQUIDITY FACILITY (CLF)**

Reviewed preliminary findings from internal control review of CLF members equity account audit. Staff received training on direct access to treasury accounts for reconcilements. Membership count 267 with [redacted] (b)(5) pending new applications.

### **III. PROJECTS**

**Anti-Fraud.** [redacted] (b)(5)

[redacted] (b)(5)

**Bank Acquisitions.** [redacted] (b)(5)

[redacted] (b)(5)

**BSA.** New standalone BSA/AML SME. Core competencies and training curricula for a new BSA SME designation and Regional BSA specialists were developed. [redacted] (b)(5)

[redacted] (b)(5)

**Call Report.** Updated 2017 filing deadline to last Sunday of the following month after quarter end, with 8 business days planned for validation and 8 business days for the data scrub. Wrapping up [redacted] (b)(5)

**Cybersecurity.** Outreach ongoing; Training modules in production [redacted]

[redacted] (b)(5)

**Examiners Guide.** [redacted] (b)(5)

[redacted] (b)(5) IRR, Fidelity Bonds, Total Analysis Process, Risk Focused Exams and MBLs have been published to the web.

**FASB.** [redacted] (b)(5) Working closely with the other regulatory agencies. [redacted] (b)(5)

**Interest Rate Risk.** The revised Examiners' Guide chapter on IRR has been completed and published. Letter To Credit Unions CU-16-08 with links to the new Guide and examination procedures was released in October. An internal Bulletin to examiners regarding access to the new AIRES scope workbook was issued to staff (procedures effective January 1, 2017).



**MBLs.** The final Examiners' Guide chapter including comprehensive examination procedures for evaluating commercial loans was published on the web. Staff provided training on the new MBL Rule to State Examiners in a conference the week of November 15th.

**NGN.** Developing materials (b)(5)

(b)(5)

**Overhead Transfer Rate.** Completed annual review and calculation for 2017 rate and presented at the November Board Meeting. Completing nine summaries on issues surrounding comments received from various stakeholders. (b)(5)

(b)(5)

**SCUEP.** (b)(5)

(b)(5)

(b)(5)

**State Supervisory Authority Identity Validation and Systems Access.** (b)(5)

(b)(5) E&I/OCSM developing (b)(5)

(b)(5)

Several issues being addressed through EI staff and help desk.

**Supplemental Capital.** (b)(5) Phone conference with CUNA Mutual in regard to (b)(5);(b)(4) they are proposing.

**Back to top**

## **OFFICE OF THE CHIEF ECONOMIST**

### **• PROGRAM**

#### **- New Items**

- (b)(5)
- 
- 
- 
- FSOC Principals meeting
- (b)(5)

**- Old Items**

**- Ongoing Economic Indicators and Intelligence**

- Posted weekly economic updates with relevant focus pages.
- Updated the Macro and State dashboards for examiner/analyst use.

**- Ongoing Projects**

- Developed credit union data for quarterly data release (discovered credit union data error on payday alternative loans)
- Assistance with Rule Processes
  - Work on the SBREFA analysis for the FOM rule
- FSOC Activities (OCE Personnel)
  - Represented NCUA in discussions at Deputies level.
  - Represented NCUA at the Nonbank Designations Committee, the Systemic Risk Committee, and the Data Committee

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- 

(b)(5)

**- Ongoing Service Activities**

- Internal Committees
  - (b)(5)
- Outreach
  - Region 2 Management Conference ((b)(6);(b)(5)) in early November)

**Back to top**

## **OFFICE OF THE CHIEF FINANCIAL OFFICER**

• **ADMINISTRATIVE**

- Two accountant vacancies filled and staff entering on duty during December. OCFO has three remaining vacancies.

- **PROGRAM**

## **I. DIVISION OF FINANCIAL OPERATIONS**

- Four Treasury-notes were purchased during November 2016, totaling \$350 million. Maturities range from May 15, 2018 to November 15, 2026.
- Prism (procurement system): Testing completed; there were no show stoppers. SORN authored and now at Federal Register. End user training occurs December 5 to 16. Estimated go live date is 1/17/17.
- Civil money penalties project completed. Credit unions to pay future fines via Pay.gov.
- Reported annual TRIP data and premium class travel to GSA.
- End users must continue to book airfares by calling Omega or the airlines directly (cannot be booked in Concur). A solution is in development which may fix this problem in the coming weeks.

## **II. DIVISION OF FINANCIAL MANAGEMENT**

- All funds: GFRS closing package audit successfully completed during November.
- All funds: Fund-specific audits continue and are on-track. No major issues to report.
- NCUSIF: Two failures in November; fourteen (14) failures through November, eleven (11) were involuntary liquidations and three (3) were assisted mergers. The estimated loss year to date is \$8.6 million.
- NCUSIF: On November 22, 2016, ECCU repaid \$58.2 million in remaining principal and accrued interest on its senior collateralized note. There are currently no remaining Section 208 assistance-related notes on NCUSIF's balance sheet.

## **III. PERFORMANCE, BUDGET and RISK MANAGEMENT**

- The 2017 -2018 final budget and BAM was briefed and approved by the Board at the November 17 Board meeting. This included a briefing on the Operating Fees which will increase an average of 25% because of the decrease in the overhead transfer rate.
- Compiled a list of questions from the public budget comments to develop additional frequently asked questions to post to the NCUA website.
- Attended Association Federal Enterprise Risk Management Summit.
- Developed statement of work for enterprise risk management support.
- Held ERM Council Meeting on November 1, 2016 to determine Risk Appetite at the risk category levels.
- 2017 Annual Performance Plan development and leadership briefings.

## **IV. PROCUREMENT, FACILITIES MANAGEMENT, PUBLICATIONS & GRAPHICS:**

- **Facilities**

- 2nd, 3rd, 4th and 5th Floor Renovations – approval of plans sent to The M Group on Wednesday, November 23<sup>rd</sup> so they can start the architectural and MEP drawings for all floors.
- Each floor will have its own permit to eliminate having to cut down on wait time when each floor is complete
- Permit for OCIO contractor space in 5082 and 5084 received. Demolition to start Saturday, December 3, 2016. All work will be done after hour

- Staff developing transition plan for building management contract
- **Procurement**
  - Building Management RFP – Awarded November 18, 2016, new contractor (SDAC Facility Services)
  - Travel Expense Management Services – RFP issued November 9, 2016; Response due December 5, 2016
  - ServiceNow – Negotiating and exercising an option for contractor to take over Tier 1 help desk services for OCIO. Will be completed by mid-December
  - OCIO Web Services – Contract award on 11/30/16

**Back to top**

## **OFFICE OF HUMAN RESOURCES**

- **ADMINISTRATIVE**

- **Staffing and Classification Division**

- **Disabled Veterans Affirmative Action Program (DVAAP):** DSC Team Lead Lisa Bazemore prepared and submitted NCUA's DVAAP report and plan to OPM on December 1<sup>st</sup>. This report included information about NCUA's accomplishments in hiring, developing, and promoting disabled veterans and our expanded plan to increase efforts and outreach in FY2017.
- **Pathways Program:** DSC Team Lead Cathy Watkins coordinated with the OPM on the Re-execution of the Pathways Program Agreement - Memorandum of Understanding (MOU) on the hiring of Pathways program participants. NCUA hires Interns and Recent Graduates under this program. The MOU was signed by Mark Treichel and OPM ensuring NCUA's ability to continue to hire through this important program for the next two years.
- **Career Fairs:** DSC staff members represented NCUA at the ***DisABLED*** Job Fair event held on November 18, 2016 in Washington DC. This event was well attended and allowed NCUA recruiters to interact with potential applicants and provide information about NCUA careers and the Federal hiring process. DSC collected many resumes that will be used to update the Schedule A talent bank for referral to managers.
- **Entry-level CUE Consolidated Recruitment:** DSC advertised the 6<sup>th</sup> consolidated recruitment effort to include duty stations for Regions I, II, III, and V. The vacancy announcement closed on November 29, 2016 and a total of 1,724 applications were received. During the vacancy open period, 1,997 people viewed the CUE Recruitment Video "A Day in the Life of a Credit Union Examiner" embedded in the vacancy announcement.

**- SSP Activity**

- **Deputy Director, OHR** - (b)(2);(b)(5)
- **Deputy Director, OCFO** - This position was re-advertised and opened on November 10, 2016 and closed on December 2, 2016.
- **Director OSCUI** - This position was re-advertised and closed on November 28, 2016. A total of 73 candidates applied for this position. Resumes are being reviewed by DSC staff.

**- Benefits and Worklife Division**

- End of CY is a busy time for the Benefits and Worklife Division. During November, OHR saw a significant increase in cash and on-the-spot awards. A number of retirement packages were reviewed, processed, and forwarded through GSA to OPM.
- Incentive Award Ceremony – The call for nominations for the 2017 Annual Incentive Award Ceremony was sent out on November 28, 2016 with a due date of January 20, 2017.
- Deferral Elections – Information regarding NCUA Savings Plan and TSP Employee Deferral limits for 2017 sent out via OHR email on November 23, 2016.
- The Federal Employee Benefits Open Season began on November 14 and runs through December 12. The Benefit Open Season memo was sent out on November 8, 2016.
- The following revised Personnel Manual chapters were published on November 30, 2016:
  - Personnel Manual Chapter 19, Hours of Work,
  - Personnel Manual Chapter 5, Leave,
  - Personnel Manual Chapter 14, Federal Employees Health Benefits Program.
- The Voluntary Leave Bank Program Open Enrollment period ended on November 4th. As of November 30th, there were 258 participants and a leave bank balance of 4,491.10 hours.

**- Labor and Employee Relations Division**

- Management and NTEU agreed to the CO Renovation floor plans allowing the city permit process to begin. Obtaining these permits is key to beginning the physical renovations.
- Completed negotiations and signed an MOU with NTEU regarding installation of an upgraded security system at the Region IV office. (b)(5)  
(b)(5) future plans (b)(5)  
(b)(5) pending future sufficient funding levels. This  
(b)(5);(b)(7)(E)  
(b)(5);(b)(7)(E) at Regional Offices.
- Announced and offering a new training course to all employees and contractors: Bullying and Workplace Violence. The course is available as of 11/22/2016 via the NCUA Learn Center.

**- Training and Development Division**

- **SSA Commercial Lending Offsite:** On November 15-16, 2016, 65 State Examiners attended Commercial Lending Training in Houston, TX. This was a shorter version of the offsite that NCUA examiners attended in September. There were no last minute

cancellations or “no shows”, feedback from the attendees was positive, and the facilitators indicated that the attendees were attentive and asked superior questions.

- **2017 New Leadership Program:** DTD has announced the 2017 New Leadership Program (NLP), run by the Graduate School. This program is open to CU 7-9 staff who received at least a highly successful rating on their most recent performance appraisal. Applications for the 2017 session must be sent to Regional and Central Office Directors by Wednesday, December 7, 2016 for approval, then forwarded to DTD by Friday, December 16, 2016.
- **Principal Examiner (PE) Certification Assessment Testing and Structured Interview Notice:** The notice for the first cycle of the 2017 PE Certification assessment was sent to all field staff on November 16. The next 3-part assessment is scheduled for **Tuesday, February 7, 2017**, in Dallas, TX. All CU-11 Examiners, in grade at least 6 months, are eligible to participate in the test.
- Co-signed a memo with E&I communicating to the field that additional training hours will be available in 2017 requiring the Field to change their 2017 IDPs.

**Back to top**

## **OFFICE OF CONSUMER FINANCIAL PROTECTION ACCESS**

- **ADMINISTRATIVE**

(b)(2);(b)(5)

- **CONSUMER ASSISTANCE CENTER NOVEMBER ACTIVITY**

- Telephone Calls: 1,672 (20,833 YTD)
- Consumer Complaints: 594 new (5,406 YTD); 572 closed (5,869 YTD); and 683 outstanding

- **FINANCIAL LITERACY NOVEMBER ACTIVITY**

Attended the National Jump\$start Coalition’s K-12 Educators Conference in Dallas, TX. Attended the current Administration’s final FLEC meeting, where youth financial literacy programming was discussed by various organizations, including several credit unions. Finalized new resources and conducted due diligence analysis on a policy document from the U.S. Department of the Treasury

- **FAIR LENDING AND CONSUMER COMPLIANCE NOVEMBER ACTIVITY**

Continue to work with OGC on fair lending matters. OED briefing on this matter scheduled for December 7<sup>th</sup> and Chairman briefing on December 13<sup>th</sup>. Finalizing list of credit unions for 2017

fair lending exams and supervision. Scheduled HMDA webinar, in which CFPB will participate, for February 23, 2017. Webinar on the new prepaid products rule will be held February 23, 2017, jointly with the HMDA webinar. Approved FFEC Consumer Compliance Rating System Notice for Federal Register publication. Participated in CFPB briefing on action (b)(8);(b)(5) on November 7<sup>th</sup>. Participated in conference call with CUNA legal staff on MLA issues on November 17<sup>th</sup>. Met with CUNA Consumer Protection Subcommittee on November 29<sup>th</sup>.

**- CONVERSION TO MUTUAL SAVINGS BANK**

(b)(8) **Credit Union** (b)(8) Advised management (b)(8)  
(b)(8) membership vote.

**- CONVERSION TO PRIVATE INSURANCE**

(b)(8) **Federal Credit Union** (b)(8) Management proposed converting to a state charter with private insurance provided by ASI. We completed the conversion on (b)(8)

(b)(8) **Federal Credit Union** (b)(8) Management proposes merging into the privately insured (b)(8)  
(b)(8) The members have approved the proposed merger and the final documentation is now under review.

(b)(8) Management proposes converting to a privately insured credit union. The members approved the conversion and we are awaiting the receipt of final documentation.

(b)(8) **Federal Credit Union** (b)(8) Management proposes converting to a privately insured credit union. (b)(8)  
(b)(8) membership vote.

**- OTHER CONSUMER ACCESS ITEMS**

**Draft Instruction** (b)(5)  
(b)(5) address draft Instruction.

**FOM Working Group.** Final rule expected to be posted in the December 7<sup>th</sup> issue of the Federal Register – rule will have an effective date of February 7, 2017. OCFPA staff will devote extensive time to develop guidance to coincide with the effective date of the final rule. Comment period on FOM Rule 2 closes December 9<sup>th</sup>.

**Back to top**

## OFFICE OF GENERAL COUNSEL

### - Litigation and Administrative Actions

### - Updates on New and Significant Supervisory Actions:

- (b)(5);(b)(8)
- (b)(5);(b)(8)
- MBL Regulation challenge – The ICBA brought an APA challenge to NCUA’s MBL regulation, arguing that NCUA exceeded its authority by exempting from the MBL limit loans and participations not made to members of the credit union. We moved to dismissed, ICBA opposed the motion, and we filed a reply brief. Accordingly, our motion is fully briefed for the court’s decision. There is no timetable for a decision, and it could come down in December or early in 2017. In addition, NAFCU & CUNA have sought the court’s permission to file an amicus brief supporting our position.
- (b)(5);(b)(8)
- (b)(5);(b)(8)



**- Proposed, Interim Final, and Final Regulations**

Title/CFR Part/ Section	Description	Status
Chartering and Field of Membership – Part 701	Rules to provide regulatory relief with respect to chartering and field of membership.	The Board issued a final rule as well as another proposed rule at the October 2016 meeting.
(b)(5)		We anticipate
		(b)(5)
		We anticipate
		(b)(5)

**- Administrative Appeals.**

A. Freedom of Information Act (FOIA) Appeals – none pending

B. Insurance, Creditor, Troubled Credit Union, MBL, Conservatorship Claim Appeals, and Requests under 12 U.S.C. 1785(d) –

1. (b)(5) Federal Credit Union – Appeal by (b)(8);(b)(6) was

(b)(8);(b)(6);(b)(5)

Thus, we anticipate recommending (b)(8);(b)(5) We anticipate (b)(8);(b)(5)  
(b)(8);(b)(5)

2. (b)(8);(b)(5) (b)(8) Credit Union – Request (b)(8);(b)(6)

(b)(8);(b)(6);(b)(5)

(b)(5);(b)(6);(b)(8)

**Back to top**

### **OPEN BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

- 
- 
- 
- 

(b)(5)

• • • • •

Following is the most current Schedule of Activity and Regional Management Reports.

(b)(6)

Executive Director Mark Treichel

**Back to top**

<b><u>SCHEDULE OF ACTIVITY FOR BOARD MEMBERS</u></b>
--

<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>
<b>CHAIRMAN METSGER</b>		
December 2	Oregon DCBS Credit Union CEO Outreach Salem, OR	Speaker
December 8	Connecticut NASCUS Directors' College Hartford, CT	Speaker
December 21	iQ Credit Union Roundtable Vancouver, WA	Speaker
December 27	NWA Site Visit, Willamette Neighborhood Housing Services Corvallis, OR	Speaker
January 10-13	Western States Summit Roundtable (WSSRT 2017) Oahu, HI	Speaker

**BOARD MEMBER McWATTERS**

December 4-6	Federal Home Loan Bank of Atlanta Credit Union Conference Naples, FL	Speaker
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**[Back to top](#)**

**SENIOR OFFICE DIRECTORS**  
**SCHEDULE OF ACTIVITY**

**DATE(s)**

**EVENT/LOCATION**

**PURPOSE**

**MONICA DAVY**

None

**ED DORRIS**

None

**LARRY FAZIO**

None

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(6)

**RENDELL JONES**

None

**GAIL LASTER**

December 6-7

MDP Project Team Meeting  
Tempe, AZ

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(6)

<b><u>SENIOR OFFICE DIRECTORS</u></b>		
<b><u>SCHEDULE OF ACTIVITY</u></b>		
<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>

**JOY MILLER**

None

**RALPH MONACO**

None

**MARK TREICHEL**

None

**Back to top**

# REGIONAL DIRECTOR / REGION I MANAGEMENT REPORT

Date: December 5, 2016

*Based on current staffing and remaining hours, Region I plans to complete program without assistance from other Regions.*

## **Supervision –Current significant cases: (In order of potential risk to NCUSIF):**

(b)(8)	<b>CU</b>	(b)(8)	<b>Assets:</b>	(b)(8)
(b)(8);(b)(5)				
(b)(8);(b)(5)				
(b)(8)	<b>FCU</b>	(b)(8)		
(b)(8)				
(b)(8)		(b)(8);(b)(5)		
(b)(8);(b)(5)				
(b)(8);(b)(5)				
(b)(8)	<b>FCU</b>	(b)(8)		
(b)(8)		(b)(8);(b)(5)		
(b)(8);(b)(5)				
(b)(8)	<b>Credit Union</b>	(b)(8)		
(b)(8)		(b)(8);(b)(5)		
(b)(8);(b)(5);(b)(7)(E)				

(b)(8);(b)(5)

**Other**

(b)(8)

(b)(8)

(b)(8);(b)(5)

(b)(8);(b)(5)

In addition to those credit unions, the region

(b)(8);(b)(5)

(b)(8)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

Close supervision is planned.

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS:**

- None planned at this time.

**Travel Schedule:**

Connecticut NASCUS Directors - December 8, 2016

Massachusetts SSA meeting – December 9, 2016

New York SSA meeting – December 13, 2016

(b)(5);(b)(6)

**Larry Blankenberger  
Regional Director**

**Back to top**

REGIONAL DIRECTOR / REGION II  
MANAGEMENT REPORT

Date: November 30, 2016

Supervision (Current and New Significant Cases)

(b)(8)	<b>FCU</b>	(b)(8)
(b)(8)		(b)(8);(b)(6)
(b)(8);(b)(6);(b)(5)		
(b)(8);(b)(5)		
(b)(8)	<b>CU</b>	(b)(8)
(b)		(b)(8)
(b)(8)		
(b)(8);(b)(5)		
(b)(8);(b)(5)		
(b)(8);(b)(5)		
(b)(8);(b)(5)		



(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

**TRAVEL SCHEDULE**

12-2      Meeting with PA SSA      Harrisburg, PA

(b)(5);(b)(6)

(b)(5);(b)(6)

**Jane A. Walters  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION III  
MANAGEMENT REPORT - DECEMBER 2016**

**PROGRAM**

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8);(b)(5)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None planned.

**TRAVEL and LEAVE SCHEDULE**

11/29 -12/2	Training	
(b)(5);(b)(6)		
1/31 - 2/1	Travel and Florida SSA Meeting	Tallahassee, FL

**Myra M. Toeppe  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION IV  
MANAGEMENT REPORT**

Date: December 8, 2016

(b)(5);(b)(6)

**State MBL Rules** We completed board briefings on the proposed Texas MBL Rule. It is scheduled to be on the December 15 agenda. (b)(5)

(b)(5)

(b)(5)

**FLEX** The initial FLExible EXam (FLEX) pilot program ended on October 31, and we are

(b)(5)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

	<b>Travel Schedule for RD</b>	
(b)(5);(b)(6)		

**Keith Morton  
Regional Director**

**[Back to top](#)**

# REGIONAL DIRECTOR/REGION V-TEMPE MANAGEMENT REPORT

December 5, 2016

## **Program**

Based on current staffing and remaining hours. Region 5 plans to complete program without assistance from other Regions.

## **Supervision - Current and New Significant Cases**

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

## **BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None planned.

**TRAVEL/LEAVE SCHEDULE**

11/30 – 12/01

Management Meeting, Tempe, AZ

12/02

Oregon CEO Meeting, Salem, OR

12/12 – 12/14

Speaker at CUES Directors Conference, Maui, HI

(b)(5);(b)(6)

**Cherie L. Freed**  
**Regional Director**

**[Back to top](#)**

# ASSET MANAGEMENT AND ASSISTANCE CENTER MANAGEMENT REPORT

December 6, 2016

## **STAFFING**

Federal	33
Non-Federal	27
Temporary	12
	72

## **ASSETS IN LIQUIDATION**

(b)(8)	11/30/2016			12/31/2015		
	#	Gross	Net	#	Gross	Net
Consumer Loans	(b)(8);(b)(5);(b)(4)					
Real Estate Loans						
Commercial Loans						
Loans to Facilitate						
Restitution						
Judgments/Settlement						
Participations						
REO						
Other Assets						
<b>Totals</b>						

## **NEW LIQUIDATION CASES**

(b)(5);(b)(8)

(b)(5);(b)(8)



	9/30/16 Call Report	At Liquidation	AMAC Retained
Assets	\$76,188	(b)(8);(b)(5)	
Loans	\$17,212		
Shares	\$74,589		

## ONGOING MAJOR LIQUIDATIONS

(b)(5);(b)(6)
(b)(5);(b)(8)
(b)(5);(b)(8)

**Non-performing loan sale** – We completed a sale of 2,343 non-performing (charge-off) loans with a face value of \$21,021,611 for \$301,235.

## Corporate Credit Unions

Deal	NCUA Guarantee Note Issuance (ties to BNY/Wells Fargo Investor Reports)						
	In Thousands of Dollars						
	November 30, 2016						
	Original Balance	Total P&I (Month-to-Date)	Total P&I (Year-to-Date)	Principal (Life-to-Date)	Interest (Life-to-Date)	Total P&I (Life-to-Date)	11/30/2016 Ending Balance
NGN 2010-A1	1,160,863	12,252	87,067	889,129	21,836	910,965	271,734
NGN 2010-C1	3,760,000		1,471,884	3,760,000	456,308	4,216,308	-
NGN 2010-R1	3,846,500	22,287	261,134	2,776,662	103,485	2,880,147	1,069,838
NGN 2010-R2	5,482,000	34,247	407,760	3,476,092	141,982	3,618,074	2,005,908
NGN 2010-R3	3,518,200	24,966	273,151	1,763,225	142,169	1,905,394	1,754,975
NGN 2011-C1	840,000	3,423	53,326	592,855	20,269	613,124	247,145
NGN 2011-M1	2,210,000	-	15,434	1,155,000	181,370	1,336,370	1,055,000
NGN 2011-R1	1,511,000	12,683	135,535	900,588	41,420	942,009	610,412
NGN 2011-R2	1,253,000	10,149	109,386	716,759	31,966	748,725	536,241
NGN 2011-R3	1,096,000	8,578	95,071	730,352	24,937	755,289	365,648
NGN 2011-R4	1,525,000	14,335	158,611	1,371,153	24,469	1,395,622	153,847
NGN 2011-R5	1,165,000		105,187	1,165,000	15,628	1,180,628	-
NGN 2011-R6	965,000			965,000	10,076	975,076	-
<b>Total:</b>	<b>28,332,563</b>	<b>142,920</b>	<b>3,173,546</b>	<b>20,261,815</b>	<b>1,215,915</b>	<b>21,477,731</b>	<b>8,070,748</b>

## BOND CLAIMS FILED

Credit Union Name	Bond Limit	Original Filed Amt.	Recoveries
(b)(8);(b)(5);(b)(4)			Pending

**CLAIM RECOVERY RECEIVED** – None

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS** – None

## **AMAC PII AND PRIVACY PROJECT**

### **Accomplishments:**

- (b)(5);(b)(7)(E)
- Provided a privacy brochure to all AMAC staff, began including the brochure in new staff on-boarding.

**Keith Morton**  
**Acting AMAC President**

**[Back to top](#)**

**OFFICE OF NATIONAL EXAMINATIONS AND SUPERVISION**  
**(ONES) MANAGEMENT REPORT**

December 1, 2016

**STAFFING**

(b)(5);(b)(6);(b)(2)

**PROGRAM**

**SIGNIFICANT PROGRAM ISSUES**

**Corporate Credit Unions**

(b)(5);(b)(8)

**Consumer Credit Unions**

(b)(5);(b)(8);(b)(6)

**Other Issues**

- As we did in 2015, we are developing (b)(5)  
for the 2016 capital planning cycle. (b)(5);(b)(8)
- We are drafting guidance (b)(5);(b)(8)

(b)(5);(b)(8)

- We continue working with OCIO to develop an enhanced data collection methodology that can be used to facilitate our supervision of the risk areas at ONES' credit unions. We recently successfully tested a loan analytics tool and we are nearing completion of the conversion of the NCUA 5310 Call Report process to the existing CU Online system for natural person credit union call reports.
- We contracted with a third party (TraceSecurity) to perform various IT vulnerability tests on a

(b)(5);(b)(8)	
(b)(5);(b)(8)	We recently issued a letter to ONES credit unions offering participation opportunities in 2017.

PROPOSED BOARD ACTIONS WITHIN THE NEXT 90 DAYS	ONES DIRECTOR'S CALENDAR
<i>December</i>	(b)(5);(b)(6)
• None	
<i>January</i>	
• None	
<i>February</i>	
• None	

**Scott Hunt**  
**ONES Director**

[Back to top](#)



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National Credit Union Administration  
Office of the Executive Director

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**JANUARY 17, 2017**

**CONFIDENTIAL**

**OFFICE OF THE EXECUTIVE DIRECTOR  
MANAGEMENT REPORT**

## **TABLE OF CONTENTS**

Public and Congressional Affairs

Ombudsman Report

Office of Minority and Women Inclusion

Office of Continuity Security Management

Office of Small Credit Union Initiatives

Office of Chief Information Officer

Business Innovation

Office of Examination & Insurance

Office of the Chief Economist

Office of the Chief Financial Officer

Office of Human Resources

Office of Consumer Financial Protection Access

Office of General Counsel

Open Board Action Items

Schedule of Activity for Board Members

Senior Office Director Schedule of Activity

Regional Director/Region I

Regional Director/Region II

Regional Director/Region III

Regional Director/Region IV

Regional Director/Region V

Asset Management and Assistance Center

Office of National Examinations and Supervision

**Back to top**

## **PUBLIC AND CONGRESSIONAL AFFAIRS**

- **ADMINISTRATIVE**

- **SOCIAL MEDIA PROGRAM**

- ***Cybersecurity Training and Economic Videos Finalized.*** PACA coordinated the filming and release of OCE's Economic Update video. PACA also worked with E&I to complete its internal examiner cybersecurity video training series. The series will be hosted in the agency's LearnCenter.
- ***Year-End Social Media Analytics.*** The agency's YouTube channel ended 2016 with 101,583 views, up 20 percent from last year. *NCUA: A Day in the Life of a Credit Union Examiner* continues to be the agency's top video viewed for 2016 with 15,153 views.
  - In 2016, the agency's social media channels combined had nearly 13,000 interactions in the form of Twitter mentions, retweets, LinkedIn shares and Facebook stories, up from 10,000 in 2015. Nearly 10,000 unique users connected with NCUA's channels in 2016 and drove more than 300,000 users to the agency's business and consumer websites.
  - For the year, followers of NCUA's consumer Twitter feed, @MyCUGov, grew nearly 30 percent, LinkedIn followers increased 15 percent, Facebook likes rose 37 percent, and the business Twitter account followers increased 33 percent.

- **PUBLIC AFFAIRS**

- ***SIF Premium and NGN Disposition Communications Plan.*** In anticipation of continued questions about the announced 2017 Share Insurance Fund premium range and the disposition of NCUA Guaranteed Notes, as well as the closure of the Stabilization Fund, PACA began working on communications plans and talking points to ensure consistency in agency messaging on these issues in the year ahead.
- ***Press Releases.*** In December, PACA coordinated the issuance of 12 press releases on topics that included the third-quarter national and state data, NCUA's improvement in the "Best Places to Work" report, and the Consumer Assistance Center portal improvements.
- ***Media Inquiries and Interviews.*** PACA responded to 25 media inquiries during on topics like the proposed joint-agency incentive-based compensation rule and the lawsuit filed by the Independent Community Bankers of America over our field-of-membership rule. PACA also arranged an interview with E&I on the NGN program and the corporate resolution.
- ***Newsletter Year-to-Date Performance.*** In 2016, all electronic versions of *The NCUA Report* newsletter had 105,324 page views, about 48 percent below the newsletter's performance in 2015. NCUA will not meet the annual performance goal on this metric.
- ***Annual Report.*** PACA and OCFO are currently producing agency's *2016 Annual Report*. The tentative due date for the report is March 10, 2017.

- CONGRESSIONAL AFFAIRS

- **MBL Rule Dropped from Congressional Review Act List.** On behalf of the Freedom Caucus, **Congressman Meadows (R-NC)** released a list of rules for consideration to be overturned using the procedures contained in the Congressional Review Act. Initially, the list included NCUA's MBL final rule. In response, PACA reached out to the Congressman's office to explain that the rule was about regulatory relief and increasing access to credit. PACA also alerted credit union trade groups about the list. In late December, PACA learned that the MBL rule had been removed from the list. PACA will continue to monitor.
- **Incentive-Based Compensation Rulemaking.** PACA answered follow-up questions from staff with **Senate Banking Ranking Member Brown (D-OH)** about the status of the joint-agency rulemaking on incentive-based compensation. PACA noted that it is unlikely that the NCUA Board will consider the rule in the near future.
- **Mulvaney Budget Letter.** PACA responded to a letter from **Congressman Mulvaney (R-SC)** thanking the NCUA Board for convening a budget briefing. [REDACTED]  
[REDACTED] (b)(5);(b)(8) [REDACTED]
- **Low-Income Credit Unions** (b)(5);(b)(8) On December 7, PACA delivered a letter from Chairman Metsger to **Congressman Poliquin (R-ME)**. The letter commits NCUA to assisting two credit unions (b)(8) in retaining their low-income designations and outlined ways in which the credit unions could keep their designations. Both credit unions (b)(8)
- **Loan Rate Ceiling Letter.** PACA worked with E&I on the required notification to Congress and the Administration that the NCUA Board plans to consider whether to extend the loan rate ceiling for federal credit unions at the February meeting. The consultation is required by the Federal Credit Union Act. The current 18-month period for the 18-percent loan ceiling ends in mid-March. PACA will deliver the letters in early January.
- **Continuing Resolution.** The House and Senate approved a continuing resolution to fund most of the government until April 28. PACA reviewed the legislation and found no language cutting the Community Development Revolving Loan Fund (preserving funding at \$2 million for 2017) and no provisions affecting credit unions.

**Back to top**



## OMBUDSMAN REPORT

### - Cases

Month	Received	Completed	Outstanding
December 2016	9	2	15
Year to date	40	25	15

### Phone Calls

December 2016	68
Year to date	652

### Interagency Group:

Coalition of Federal Ombudsman (CoFO):

- No monthly meeting.

## **December 2016 Supervisory Review Committee Report**

### 2016 Appeals

Credit Union	Month Rec'd	Status	Decision
(b)(8)	October 6, 2015	FCU presented case to SRC on 01-20-16	Decision rendered 02-16-16
(b)(8) FCU	November 2, 2015	FCU presented case to SRC on 02-23-16	Decision rendered 04-20-2016
(b)(8) FCU	June 29, 2016	(b)(5);(b)(8)	TBD
(b)(8) FCU	July 19, 2016	FCU presented case to SRC on 11-07-16 and 12-06-16	Decision rendered 12-29-2016
(b)(8) FCU	December 29, 2016	(b)(8);(b)(5)	TBD

[Back to top](#)

## **OFFICE OF MINORITY AND WOMEN INCLUSION**

- **PROGRAMS**

- **Assessing diversity within the Agency, at all levels including senior management.**

- OMWI is in the process of producing the Management Directive 715 (MD-715) report, a report that is due to the Equal Employment Opportunity Commission (EEOC) in early February of every year. The MD-715 report identifies agency barriers to equal employment and identifies plans for achieving a model equal employment opportunity program.
- OMWI continued work on the annual Federal Equal Opportunity Recruitment Program (FEORP) report due to the Office of Personal Management (OPM). The report will be vetted through OHR and OED before final submission to OPM in early January 2017.
- Received final approval from the Talent Management Council for the 2017-21 NCUA Diversity and Inclusion Strategic Plan. The draft plan will be circulated to Regional and Office Directors for comment.
- Circulated the draft NCUA Instruction for the establishment of Employee Resource Groups for comments from Regional and Office Directors.

- **Preserving credit unions run by minorities and/or serving minorities.**

As part of NCUA's Enterprise solution Modernization (ESM) program, met with OCIO to discuss data collection regarding minority credit unions. (b)(5)

(b)(5)

- **Assessing the diversity policies and practices of entities regulated by the agency.**

35 credit unions voluntarily submitted a Credit Union Diversity Self-Assessment checklist by the December 31<sup>st</sup> deadline. Results will be summarized and included in OMWIs annual report to Congress.

**Back to top**

## **OFFICE OF CONTINUITY AND SECURITY MANAGEMENT**

- **PROGRAM**

NCUA Instructions	Date Circulated	Status
(b)(5);(b)(7)(E)		Pending OED review
		Pending OED review
		Comments due Feb 1, 2017

**- Continuity of Operations (COOP) and Emergency Management Projects**

- **Business process analysis (BPA):** OCSM reviewed/approved the draft BPA template for the CLF mission essential function (MEF). The MDP team will now [REDACTED]  
(b)(5)
- **GETS/WPS Testing.** 4<sup>th</sup> Quarter testing completed on December 16 with 89% of GETS users successfully tested and 80% of WPS users successfully testing this period. This meets FEMA requirements for testing of emergency communications systems access.
- **Emergency Notification.** New Instruction on procedures for disseminating alert and accountability messages during emergencies. Final comments incorporated and sent to OED.
- **Issuance of WIFI Hotspots to all staff in essential continuity positions (ECPs).** OCSM coordinated with OCIO to issue WIFI hotspots to all ECP staff that do not already have an NCUA-issued device. All hotspots should be issued by January 6, 2017.

**- Physical Security Projects**

- **PIV Card Operations:** OCSM is working with OCIO to identify personnel who require updates to the PKI certificates in 2017. This process will be done remotely for field staff.
- **Physical Access Control System:** [REDACTED]  
(b)(5);(b)(7)(E)

**- Personnel Security Projects**

- [REDACTED] (b)(5)  
[REDACTED] (b)(5) Pending OED review signature.
- [REDACTED] (b)(5);(b)(7)(E)
- **Employee 5-Year Reinvestigations:** OCSM initiated Tier 2 (moderate risk) reinvestigations for 83 employees, and notified 25 employees of the requirement to update their Tier 4 (high risk) background reinvestigations.
- [REDACTED] (b)(5)
- [REDACTED] (b)(5)

**- National Security and Intelligence Analysis Program**

- [REDACTED] (b)(5);(b)(7)(E)
- [REDACTED]
- [REDACTED]

- **SCIF Operations:**

- (b)(5);(b)(7)(E)

- **Insider Threat and Counterintelligence Program (ITCIP)**. OCSM reviewed with the ITCIP Working Group on data sources and retention rules for the program. Working group members include technical experts from OGC, OIG, OCIO, OHR and OCSM.

[Back to top](#)

## **OFFICE OF SMALL CREDIT UNION INITIATIVES**

- **ADMINISTRATIVE**

- **Grants & Loans**

In December, OSCUI approved two loans.

OSCUI awarded a \$300,000 loan to Advia CU. The credit union will use the loan funds to implement new technology equipment for branch offices.

OSCUI awarded a \$250,000 loan to Texas Community CU. The credit union will use the loan funds to establish digital branches in their new FOM target market that consists of four rural counties. The credit union developed a digital strategy to serve and market to these remote communities. These communities have limited or no credit union services available.

**- Consulting**

Successful closeout of July 1 to Dec 31, 2016 consulting semester. A total of 192 applications received, 153 FICUs were enrolled for the next consulting cycle of January 1 through June 31, 2017. In addition to competitive enrolled consulting assistance, the EDSs are helping: 30 organizers of proposed FCU; 3 Urgent Needs enrollments; 8 NWRPs; 7 new credit unions.

**- Training**

OSCUI conducted a webinar on December 7, *Vendor Management & Due Diligence*. Out of 885 registrants, 562 attended the live webinar, and 230 received completion certificates. Webinars planned for first quarter of 2017 include *Growing Loans by Partnering with the USDA* (Jan. 11), *SBA Opportunities for Credit Unions* (Feb. 15), and *Pathway to Offering E-Services* (Mar. 22).

**- Partnership & Outreach**

**CDFI Certification Initiative:** OSCUI co-hosted the second Question & Answer conference call with the CDFI Fund for credit unions targeted for the new streamlined application. The call provided an opportunity to pose questions about the initiative and the benefits of CDFI certification. As of Dec. 16, 33 credit unions qualified for the new streamlined CDFI certification developed by the CDFI Fund through this initiative.

**Community Development Capital Initiative (CDCI):** OSCUI coordinated NCUA's assistance to the U.S. Department of the Treasury to encourage the remaining credit union participants to accept Treasury's offer to redeem their CDCI investment this year. Of the 31 remaining credit union participants, 15 accepted Treasury's offer and were approved by Treasury. OSCUI is coordinating with the regions to get the early redemption plans for these credit unions reviewed in a timely manner so Treasury can proceed accordingly.

**Small Credit Union Advisory Group Conference Call:** OSCUI hosted the fourth quarterly meeting of the advisory group. The agenda featured OSCUI program updates and a presentation by staff of the CDFI Fund on its programs for credit unions.

**Back to top**

## **OFFICE OF CHIEF INFORMATION OFFICER**

**• ADMINISTRATIVE**

**- IT PRIORITIZATION COUNCIL (ITPC)**

- In December 2016, OCIO, in concert with the Business Innovation Directorate (BID), presented a summary of the capital projects approved by the Board at the November Board meeting, along with a detailed status update on the Enterprise Solution Modernization (ESM) Initiative. As a part of the ESM update, OCIO and the BID presented findings from

the November GRC (Governance Risk Compliance) software vendor demos and resulting impacts on the Examination and Supervision Solution (ESS) strategy. Additionally, the ITPC reviewed the (b)(5) and discussed (b)(5) in 2017.

**- MAJOR PROGRAMS & INITIATIVES:**

**I. ENTERPRISE SOLUTION MODERNIZATION (ESM) UPDATE**

- During December 2016, the ESM team – comprised of OCIO, Business Innovation, and OCFO staff, conducted several working sessions to discuss the overall acquisition or sourcing strategy for the Program. In response, the Program Management Office (PMO) contractor will provide a briefing in early January to provide their recommended sourcing strategy to NCUA.

(b)(5)

- (b)(5)

(b)(5)

(b)(5)

- DCS team members met with OSCUI to discuss the consulting process in order to develop a

(b)(5)

- In collaboration with OCFO, OCIO was able to extend the current contract through June 2017 to provide seamless support for the Data Reporting Services (DRS) efforts. In preparation for the MicroStrategy enhancement release for ONES targeted for March 2017.

(b)(5)

Lastly, the DRS project manager presented to OCIO senior management and the Special Assistant to Business Innovation a high-level plan for delivering a strategy to meet NCUA's enterprise data management and reporting and analytics needs.

**II. PAPERWORK REDUCTION ACT (PRA)**

- Information Collection Request (ICR) December Round-up: The PRA Team submitted 5 information collection requests (ICRs) for OMB approval. This action addresses the remaining collections that were scheduled to expire in December; originally totaling 13 at the beginning of the calendar year. All renewals of currently approved collections have been addressed through January 2017. OMB approved 11 information collections: 6 extensions, 3 revisions, 1 discontinuation, and 1 emergency extension.

### **III. REMOTE ACCESS OPTIMIZATION**

- In December 2016, the team updated the VPN primary appliances from an active-passive to an active-active environment. As a result of this, the number of users is now balanced between the two VPN appliances automatically, resulting in optimal VPN performance.
- The team will continue to implement additional configurations to remote access next month by increasing the number of licenses on the VPN appliance, providing the capability for automatic failover from the primary to the backup site in the event of an outage, and upgrading the VPN hardware.

### **IV. NCUA CENTRAL ORGANIZATION CHART**

- In December 2016, the team presented a demonstration of the agency-wide organization chart that resides on NCUA Central to the Deputy Executive Director. The agency-wide organization chart enables a user to click into each office/region which will automatically synchronize NCUA employees' email, office phone number, work phone number, and room number with NCUA's active directory information. NCUA's Office Point of Contacts will manage their own office/region organization chart beginning January 2017, when this new SharePoint feature moves into production.

## **- SYSTEMS & INFRASTRUCTURE:**

### **I. CU ONLINE V2 DECEMBER CYCLE**

- The December 2016 CU Online cycle for Call Report, Profile, and PDF was released into production on December 30<sup>th</sup>. This cycle's changes included an update to the NCUA Service Desk phone number and an outdated YouTube video reference in the call report civil monies penalty email. Credit Union Online (CU Online) is a web-based program used by credit unions and state supervisory agencies to capture and display credit union information quarterly.

### **II. REGIONAL OFFICE CIRCUIT UPGRADE**

- In December, circuit upgrades that improve network access speeds were completed for Region III. All NCUA circuits have been upgraded to accommodate existing demand

(b)(5);(b)(7)(E)

**Back to top**

## **BUSINESS INNOVATION**

- **PROGRAM**

- **ESM PROGRAM**

- Key milestones and updates are highlighted below for each ESM project.

- **Examination and Supervision Solution (ESS)**

- We are working with OCIO and our program management contractor support on developing our acquisition strategy, including benchmarking, meeting with system integrators, and conducting a proof of concept. Delivery meeting scheduled for January 6<sup>th</sup>.

- (b)(5)

- **Data Collection and Sharing Solution (DCS)**

- We are working with OCIO and our program management contractor support to develop our acquisition strategy.

(b)(5)

- (b)(5)

- **Data Enterprise Reporting Solution (DRS)**

- (b)(5)

- (b)(5)

- **Organizational Change Management**

- (b)(5)

- We are preparing a narrated PowerPoint presentation for the regions to use during first quarter multi-group meetings.

- **Advisory Group**

- Next meeting planned for February 7th.

**Back to top**



## OFFICE OF EXAMINATION & INSURANCE

- ADMINISTRATIVE

(b)(5)

- **- CONCURRENCES**

E&I processed one concurrence in December 2016, an approval for a community charter expansion.

- **- CENTRAL LIQUIDITY FACILITY (CLF)**

Staff providing items requested for yearend financial statement audit. Membership count 268 with two pending redemptions.

- **- PROJECTS**

- ***Anti-Fraud.*** (b)(5)

(b)(5)

- ***Bank Acquisitions.*** (b)(5)

(b)(5)

- ***BSA.*** New standalone BSA/AML SME. Core competencies and training curricula for a new BSA SME designation and Regional BSA specialists were developed. Enhanced

(b)(5);(b)(7)(E);(b)(8)

- ***Call Report.*** Updated 2017 filing deadline to last Sunday of the following month after quarter end, with 8 business days planned for validation and 8 business days for the data scrub. Wrapping up internal and external stakeholder views on Call Report modernization project.

- **Cybersecurity.** Outreach ongoing; (b)(5);(b)(7)(E)  
(b)(5);(b)(7)(E)
- **Examiners Guide.** (b)(5)  
(b)(5) IRR, Fidelity Bonds, Total Analysis Process, Risk Focused Exams and MBLs have been published to the web.
- **FASB.** Stakeholder outreach plan has been developed for CECL implementation. Working closely with the other regulatory agencies. (b)(5)  
(b)(5)
- **Interest Rate Risk.** The revised Examiners' Guide chapter on IRR has been completed and published. Letter To Credit Unions CU-16-08 with links to the new Guide and examination procedures was released in October. An internal Bulletin to examiners regarding access to the new AIRES scope workbook was issued to staff (procedures effective January 1, 2017).
- **MBLs.** The final Examiners' Guide chapter including comprehensive examination procedures for evaluating commercial loans was published on the web. Staff provided training materials to the regions on the new Part 723 for use in upcoming multi-ground-meeting training of examiners. (b)(5)  
(b)(5)
- (b)(5);(b)(8)
- (b)(5);(b)(8)
- **Overhead Transfer Rate.** (b)(5)  
(b)(5) Completed analysis of the information from all SSAs on methodologies for charging fees and separating budget when banks and credit unions are co-mingled.
- **SCUEP.** (b)(5)  
(b)(5)
- **Secure Portal Implementation.** External pilot extended. (b)(5)  
(b)(5) (b)(5)

- *State Supervisory Authority Identity Validation and Systems Access.* (b)(5)  
 (b)(5)  
 (b)(5)
- *Supplemental Capital.* (b)(5)

[Back to top](#)

## **OFFICE OF THE CHIEF ECONOMIST**

### • **PROGRAM**

#### - **New Items**

- (b)(5)
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#### - **Old Items**

#### - **Ongoing Economic Indicators and Intelligence**

- Posted weekly economic updates with relevant focus pages.
- Updated the Macro and State dashboards for examiner/analyst use.

#### - **Ongoing Projects**

- Created and disseminated Q3 credit union data.
- Assistance with Rule Processes
  - Continued work on data (b)(5)
- FSOC Activities (OCE Personnel)
  - Represented NCUA in discussions at Deputies level.
  - Represented NCUA at the Nonbank Designations Committee, the Systemic Risk Committee, and the Data Committee
- Work on the (b)(5)
- Implementing (b)(5)
- (b)(5)
- Work on LID cases for OCFPA

**- Ongoing Service Activities**

- **Internal Committees**

- 

(b)(5)

**Back to top**

## **OFFICE OF THE CHIEF FINANCIAL OFFICER**

- **ADMINISTRATIVE**

- (b)(5)
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  -

- **PROGRAM**

- I. DIVISION OF FINANCIAL OPERATIONS**

- Two Treasury-notes matured on December 31, 2016, totaling \$150 million. Funds will be reinvested on January 3, 2017 (December 31, 2016 was a Saturday).
    - PRISM procurement system training is complete. There were will be a couple of repeat training sessions repeating in January.
    - Submitted annual taxable travel transactions to GSA for inclusion on employee W-2s.
    - Distributed 2017 annual travel authorization memo.
    - Distributed year-end closing memos for relocation employee confirmation status, and travel and expense cut-off.

- II. DIVISION OF FINANCIAL MANAGEMENT**

- All funds: Fund-specific audits continue and are on-track. No major issues to report.
    - Operating Fund/Share Insurance Fund/Stabilization Fund: Year-end closing operations in progress. No major issues to report.
    - SIF: No failures in December; fourteen (14) failures through December, eleven (11) were involuntary liquidations and three (3) were assisted mergers. The estimated loss year to date is \$8.6 million.
    - Stabilization Fund: Normora settlement proceeds received and related legal fees paid. Fees paid were adjusted for errors noted with past billings.

- III. PERFORMANCE, BUDGET and RISK MANAGEMENT**

- (b)(5)

- Provided annual budget reporting update for OMB to collect estimated net outlays for the federal government.
- Held individual meetings with ERM Council members to obtain input on NCUA's risk appetite at the risk category level.
- Responded to questions from proposed vendor on enterprise risk management statement of work. Proposals are due January 12, 2017.
- Delivered the Performance and Budget Results Summary report for 3<sup>rd</sup> Quarter 2016.

#### **IV. PROCUREMENT, FACILITIES MANAGEMENT, PUBLICATIONS & GRAPHICS:**

##### **- Facilities**

- 2nd, 3rd, 4th and 5th Floor Renovations Floor plan numbering completed and design drawing currently being developed, January 9, 2017, next coordination meeting. Work will be performed on phases. Will start scheduling weekly meetings with internal customers to ensure proper coordination is done. Each floor will have its own permit to reduce wait time to complete each.
- Work in 5082 and 5084 completed.
- Transition completed for the Building operations contract. New vendor (SDAC) started work on January 01, 2017. Staff working with vendor to solidify processes and operational tempo. No issues to report.

##### **- Procurement**

- NCUA Savings Plan Trustee and Record Keeping Services – On 12/17/16, formal notification was provided to Wells Fargo Institutional Retirement and Trust on its selection as the NCUA contractor. The contract includes options to renew the contract, in NCUA's sole discretion, for up to nine additional years.
- NCUA Savings Plan Investment Advisor Services – On 12/16/16, a four year contract was awarded to Captrust Financial Advisors to provide independent expert financial advice and guidance services to the NCUA Savings Plan Operating Committee. Previously Wells Fargo provided this support.

##### **- Distribution**

- Printed and distributed the NCUA Report;
- Produced and sold approximately 25,000 Your Insured Funds Brochures;
- Processed approximately 120 requests for hardware by field examiners;
- Responded to 68 requests for office equipment/furniture movement;
- Framed approximately 54 certificates and pictures;
- Processed over 6,700 pieces of incoming mail and 6,300 pieces of outgoing USPS mail;
- Began using newly acquired online supply systems (items are cheaper and ease of use is exceptional);
- Processed 113 business card requests; and
- 13 print jobs were received in the NCUA Print Shop (approximately 147,000 error free impressions created).

- **Graphics**

- Layout and design for the Call Report Modernization Initiative: External Stakeholder Feedback document for Examination and Insurance.
- Website banners used to link from the main OSCUI Learning Management Site filmstrip to highlighted pages completed.
- Layout and design for the NCUA Quarterly U.S. Map Review for the third quarter of 2016 completed.
- Layout and design for How Do I Start Saving brochure and the Consumer Financial Protection and Financial Literacy Resources 7-page booklet.

**Back to top**

## **OFFICE OF HUMAN RESOURCES**

• **ADMINISTRATIVE**

- **Staffing and Classification Division**

- OHR responded to several data requests from the transition team related to employee benefits, awards, and hiring. We will continue to support transition efforts as we approach the inauguration of a new Presidential administration.

- **Staffing and Classification Division**

- Division of Staffing and Classification Specialist (b)(6) partnered with (b)(6) in OED for the pay changes effective 12/25/2016. The increases will be reflected in employee's pay on 1/13/2017.
- DSC responded to OPM and OMBs request for support in "**Institutionalizing Hiring Excellence**." This initiative is an extension of the Presidents memorandum issued in May of 2010 that kicked off his "Improving the Federal Recruitment and Hiring Process." NCUA provided OPM with information regarding our hiring excellence priorities for 2017 which include improving assessment strategies to get the best talent and improving workforce planning and strategic recruitment to reach a well-qualified and diverse applicant pool. Additionally, NCUA's Talent Management Council along with OHR staff will serve as NCUA's Hiring Excellence Team. Representatives of the team will attend Hiring Excellence Community of Interest meetings for this important initiative.

- **Entry-level CUE consolidated recruitment update:** 203 selection certificates were issued on 12/21/2016 for 18 locations from the consolidated entry-level CUE vacancy announcement for Regions 1, 2, 3, and 5 that closed on 11/28/2016. Managers are currently reviewing applicants referred and scheduling interviews.

**- SSP Activity**

- (b)(5);(b)(6);(b)(2)
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**- Benefits and Worklife Division**

- Advertised and held an American Red Cross Blood Drive with 20 participants on 12/06/2016. Also advertised how to donate blood anywhere across the country.
- Held our annual Open Season Health Benefits Fair at Central Office on 12/07/2016 and advertised other in-person and virtual health benefits fairs throughout Open Season for employees not located in Central Office.
- Closed out the Federal Benefits Open Season on 12/12/2016, although due to a glitch on the BENEFEDS.com site, BENEFEDS elections were extended to 12/14/2016. All employees were notified of the issue and the extension.
- Published information regarding NCUA Emergency Closure and Dismissal Procedures on 12/14/2016.

**- Labor and Employee Relations Division**

- In coordination with John Kutchey and Ed Dorris, LER achieved a signed Memorandum of Understanding (MOU) with NTEU to implement the 2017 iPhone Refresh Process for all agency staff.
- In coordination with Ed Dorris, LER achieved a signed Memorandum of Understanding (MOU) with NTEU to implement the transition from the informal Help Desk process to an automated help desk ticket tracking system called Service Now. The signed MOU and initial roll out of the system both began in December 2016.
- In coordination with PACA, LER achieved a signed Memorandum of Understanding (MOU) with NTEU to implement the Plain Writing and Communication Manual Training to help improve agency staff written communications and promote consistent written communications by all agency staff.
- To increase employee awareness of recently available employee Workplace Violence training, LER provided an article that was posted in NCUA Weekly announcing the availability of a new online training course entitled: Bullying and Workplace Violence on Learn Center.

## **- Training and Development Division**

- **2017 New Leadership Program:** Announced the 2017 New Leadership Program (NLP), run by the Graduate School. DTD received four applicants for the 2017 session. A panel will meet on 01/17/2017 to review and recommend nominations for the program. It is anticipated that two participants will be selected for the 2017 program.
- **Principal Examiner (PE) Certification Assessment Testing, February 7, 2017 Cycle Closed:** The registration site for the first cycle of the 2017 PE Certification testing was available from 11/24/2016 to 12/27/2016. 79 participants registered to test. Of those 79, two were ineligible. The testing session is scheduled for 02/07/2016, in Dallas, TX.
- **SCUEP-STEP Webinar:** OHR/DTD and E&I co-hosted a webinar session on 12/13/2016, for NCUA field staff, designed to share information and answer questions regarding the 2017 changes to the SCUEP/STEP Training Program for our new examiners. DTD outlined the new training program, the associated training workbook, highlighted changes between our current program and the new 2017 program, and addressed the impact of the change on examiners who are enrolled in the current STEP program.
- **State Examiner Webinar:** Hosted the Quarterly Webinar session for SSA and State Examiners, including the SCUEP-STEP changes, communication elements, and an overview of the Enterprise Solution Modernization Program. The webinar was conducted on 12/19/2016.
- **Region II Training Session:** Performed a training session for 10 Region 2 staff on 12/20/2016 on Communication Skills. This training was designed in-house by DTD specifically for a NCUA audience.

**Back to top**

## **OFFICE OF CONSUMER FINANCIAL PROTECTION ACCESS**

### **• ADMINISTRATIVE**

Consumer Access / Consumer Access-South: (b)(5);(b)(6);(b)(2)

(b)(5);(b)(6);(b)(2)

Consumer Compliance Policy and Outreach: Announcement issued for the vacant Program Officer position – closes January 9<sup>th</sup>.

### **- CONSUMER ASSISTANCE CENTER DECEMBER ACTIVITY**

- Telephone Calls: 1,534 (22,367 YTD)
- Consumer Complaints: 487 new (5,893 YTD); 594 closed (6,463 YTD); and 518 outstanding



**- FINANCIAL LITERACY DECEMBER ACTIVITY**

Met with FDIC, CFPB and Treasury Department officials to discuss federal youth financial capability initiatives for 2017. Finalized a booklet on OCFPA financial literacy and consumer financial protection resources for the public and a brochure highlighting the importance of saving. Collaborating with PACA, OSCUI, and OMWI to plan an NCUA-hosted Financial Inclusion Forum for this spring.

**- FAIR LENDING AND CONSUMER COMPLIANCE DECEMBER ACTIVITY**

Informed Board Offices and OED of certain fair lending matters that the office has been working on. Selected credit unions for 2017 fair lending exams and on-site supervision contacts, and selected nine applicants to assist with the fair lending program. Scheduled HMDA webinar, for February 28 – CFPB to participate. Facilitated interagency working group meeting, including DOD, on December 15<sup>th</sup> to address outstanding issues under MLA. Developed procedures for consumer compliance portion of regular examinations beginning 2017 reviewing MLA, SCRA and ECOA compliance. Revised AIRES questionnaires and drafted training materials to be presented to all examiners at 2017 group meetings. Prepared four regulatory alerts on HMDA requirements, changes to mortgage servicing rules and the prepaid products final rule to be issued January 2017.

**- CONVERSION TO MUTUAL SAVINGS BANK**

(b)(5);(b)(8)

**- CONVERSION TO PRIVATE INSURANCE**

**Indiana United Methodist Federal Credit Union** (\$1.2 million; Kokomo, IN). Merger completed on December 16<sup>th</sup>.

**I H Credit Union, Inc.** (\$297 million; Springfield, OH). Insurance certificate cancelled on December 16<sup>th</sup>.

(b)(5);(b)(8)

**- OTHER CONSUMER ACCESS ITEMS**

**Policy Statement to Address Credit Unions Chartered for the Purpose of Granting Member Business Loans Exemption.**

(b)(5)

**FOM Working Group.** Guidance webinar scheduled for February 1<sup>st</sup>. Working on guidance materials and webinar content. Comment period on FOM Rule 2 closed December 9<sup>th</sup> ... 54 comment letters were received on the proposed rule.

**[Back to top](#)**

## **OFFICE OF GENERAL COUNSEL**

### **- Litigation and Administrative Actions**

### **- Updates on New and Significant Supervisory Actions:**

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(b)(5);(b)(8)

- 

(b)(5);(b)(8)

- 

(b)(5);(b)(8)

- **MBL Regulation challenge** – The ICBA brought an APA challenge to NCUA's MBL regulation, arguing that NCUA exceeded its authority by exempting from the MBL limit loans and participations not made to members of the credit union. In December, the district court heard argument on our motion to dismiss. The judge indicated that he planned to rule in January 2017. NAFCU & CUNA have sought the court's permission to file an amicus brief supporting our position.

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(b)(5);(b)(8)

- 

(b)(5);(b)(8)

(b)(5);(b)(8)

**- Proposed, Interim Final, and Final Regulations**

Title/CFR Part/ Section	Description	Status
Chartering and Field of Membership – Part 701	Rules to provide regulatory relief with respect to chartering and field of membership.	The Board issued a final rule as well as another proposed rule at the October 2016 meeting.
(b)(5)		We anticipate (b)(5)
(b)(5)		We anticipate (b)(5)
(b)(5)		We anticipate (b)(5)

**- Administrative Appeals.**

A. Freedom of Information Act (FOIA) Appeals – none pending

B. Insurance, Creditor, Troubled Credit Union, MBL, Conservatorship Claim Appeals, and  
Requests under 12 U.S.C. 1785(d) –

1.

(b)(5);(b)(6);(b)(8)

**Back to top**

## OPEN BOARD ACTION ITEMS WITHIN NEXT 90 DAYS

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•	(b)(5)

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Following is the most current Schedule of Activity and Regional Management Reports.

(b)(6)
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Executive Director Mark Treichel

**[Back to top](#)**

<b><u>SCHEDULE OF ACTIVITY FOR BOARD MEMBERS</u></b>
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<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>
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**CHAIRMAN METSGER**

January 10-13	Western States Summit Roundtable (WSSRT 2017) Oahu, HI	Speaker
February 27-28	CUNA Governmental Affairs Conference Washington, DC	Speaker

**BOARD MEMBER McWATTERS**

None

**Back to top**

**SENIOR OFFICE DIRECTORS**  
**SCHEDULE OF ACTIVITY**

DATE(s)	EVENT/LOCATION	PURPOSE
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**MONICA DAVY**

None

**ED DORRIS**

None

**LARRY FAZIO**

None

**TODD HARPER**

None

**SCOTT HUNT**

None

**RENDELL JONES**

None

(b)(5);(b)(6)

(b)(5);(b)(6)

**KELLY LAY**

None

**MIKE MCKENNA**

None

**JOY MILLER**

None

<b><u>SENIOR OFFICE DIRECTORS</u></b>		
<b><u>SCHEDULE OF ACTIVITY</u></b>		
<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>

**RALPH MONACO**

None

**MARK TREICHEL**

None

**Back to top**

## REGIONAL DIRECTOR / REGION I MANAGEMENT REPORT

Date: January 5, 2017

Based on current staffing and remaining hours, Region 1 plans to complete program without assistance from other Regions.

**Supervision –Current significant cases: (In order of potential risk to NCUSIF):**

(b)(5);(b)(8);(b)(6);(b)(7)(A)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)



(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS:**

- 

(b)(5);(b)(8)

**Travel Schedule:**

January 18-19, 2017 - Region 1 Leaders Workload Meeting – Regional Office

January 23-February 1, 2017 - Region 1 Multigroup Meetings - Hartford, CT; Albany, NY; Detroit, MI

(b)(5);(b)(6)

February 27-March 2, 2017 – CUNA GAC then SSP meeting in CO

(b)(5);(b)(6)

March 15, 2017 – Region 1 SSA Meeting in Albany, NY

**Larry Blankenberger  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION II  
MANAGEMENT REPORT**

Date: December 31, 2016

**Supervision (Current and New Significant Cases)**

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

**TRAVEL SCHEDULE**

**Jane A. Walters  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION III  
MANAGEMENT REPORT –**

**PROGRAM**

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None planned

**TRAVEL and LEAVE SCHEDULE**

1/27	Meeting with Region 3 Leagues	Atlanta, GA
(b)(5)		
(b)(5);(b)(6)		
2/27 - 3/2	CUNA GAC	Washington, DC
(b)(5)		

**Myra M. Toeppe  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION IV  
MANAGEMENT REPORT**

Date: January 4, 2017

(b)(5);(b)(6)

**State MBL Rules**

(b)(5)

(b)(5)

**FLEX** – We completed training for Phase 2 of the FLEX pilot program for which exams will begin in March.

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

	<b>Travel Schedule for RD</b>	
<b>Feb 27 – Mar 3</b>	GAC & Field SSP Meeting	Washington, D.C.

**Keith Morton**  
**Regional Director**

**[Back to top](#)**

# REGIONAL DIRECTOR/REGION V-TEMPE MANAGEMENT REPORT

January 3, 2017

## Program

Region 5 completed program without assistance from other Regions.

## Supervision - Current and New Significant Cases

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)



**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None planned.

**TRAVEL/LEAVE SCHEDULE**

01 17 01 20

(b)(5),(b)(6)

Speaker at Volunteer Directors Conference, HI

Potential

(b)(5),(b)(6)

**Cherie L. Freed  
Regional Director**

**Back to top**

# ASSET MANAGEMENT AND ASSISTANCE CENTER MANAGEMENT REPORT

January 6, 2017

## STAFFING

Federal	33
Non-Federal	27
Temporary	13
	73

## ASSETS IN LIQUIDATION

(b)(8)	12/31/2016			12/31/2015		
	#	Gross	Net	#	Gross	Net
Consumer Loans	(b)(4);(b)(5);(b)(8)					
Real Estate Loans						
Commercial Loans						
Loans to Facilitate						
Restitution						
Judgments/Settlement						
Participations						
REO						
Other Assets						
Totals						

\*\*DAR staff under the direction of the AMAC President are developing (b)(5)

(b)(5)

**NEW LIQUIDATION CASES** None

## ONGOING MAJOR LIQUIDATIONS

(b)(5);(b)(6);(b)(8)

## Corporate Credit Unions

Deal	NCUA Guarantee Note Issuance (ties to BNY Wells Fargo Investor Reports)						
	In Thousands of Dollars						
	December 31, 2016						
Deal	Original Balance	Total P&I (Month-to-Date)	Total P&I (Year-to-Date)	Principal (Life-to-Date)	Interest (Life-to-Date)	Total P&I (Life-to-Date)	12/31/2016 Ending Balance
NGN 2010-A1	1,160,863	1,178	88,245	890,113	22,030	912,143	270,750
NGN 2010-C1	3,760,000	-	1,471,884	3,760,000	456,308	4,216,308	-
NGN 2010-R1	3,846,500	37,270	298,385	2,809,690	104,454	2,914,144	1,036,810
NGN 2010-R2	5,482,000	43,350	451,267	3,517,813	143,768	3,661,581	1,964,187
NGN 2010-R3	3,518,200	26,689	299,840	1,788,072	144,011	1,932,083	1,730,128
NGN 2011-C1	840,000	8,198	63,728	602,976	20,550	623,526	237,024
NGN 2011-M1	2,210,000	15,434	30,868	1,155,000	196,804	1,351,804	1,055,000
NGN 2011-R1	1,511,000	11,984	147,506	912,009	41,970	953,979	598,991
NGN 2011-R2	1,253,000	9,859	119,245	726,160	32,424	758,584	526,840
NGN 2011-R3	1,096,000	9,635	104,707	739,674	25,251	764,924	356,326
NGN 2011-R4	1,525,000	16,661	175,527	1,387,940	24,598	1,412,538	137,060
NGN 2011-R5	1,165,000		105,187	1,165,000	15,628	1,180,628	-
NGN 2011-R6	965,000			965,000	10,076	975,076	-
<b>Total:</b>	<b>28,332,563</b>	<b>180,258</b>	<b>3,356,389</b>	<b>20,419,447</b>	<b>1,237,872</b>	<b>21,657,318</b>	<b>7,913,116</b>

## BOND CLAIMS FILED

Credit Union Name	Bond Limit	Original Filed Amt.	Recoveries
(b)(5);(b)(8)			Pending

## CLAIM RECOVERY RECEIVED

Credit Union Name	Bond Limit	Original Filed Amt.	Recoveries
(b)(5);(b)(8)			\$179,355.16

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS – None**

## AMAC PII AND PRIVACY PROJECT

### Accomplishments:

- 
- 
- 
- 
- 

(b)(5);(b)(7)(E)

**Keith Morton**  
**Acting AMAC President**

**Back to top**

**OFFICE OF NATIONAL EXAMINATIONS AND SUPERVISION**  
**(ONES) MANAGEMENT REPORT**

January 3, 2017

**STAFFING**

(b)(5);(b)(6);(b)(8);(b)(2)

**PROGRAM**

**SIGNIFICANT PROGRAM ISSUES**

Corporate Credit Unions

(b)(5);(b)(8)

Consumer Credit Unions

(b)(5);(b)(8);(b)(6)

**Other Issues**

As we did in 2015, we are developing  
2016 capital planning cycle.

(b)(5)

(b)(5);(b)(8)

We are drafting guidance for the large natural person credit unions in relation to risk management governance expectations. We are basing our proposed guidance on existing guidance issued by other financial regulators for larger financial institutions.

- We continue working with OCIO to develop [REDACTED] (b)(5);(b)(8)  
[REDACTED] (b)(5);(b)(8)
- We contracted with a third party (TraceSecurity) to perform various IT vulnerability tests on a [REDACTED] (b)(5);(b)(8) [REDACTED] (b)(8)  
[REDACTED] (b)(5);(b)(8) [REDACTED] (b)(8) and [REDACTED] (b)(8) participated during 2016. We recently issued a letter to ONES credit unions offering participation opportunities in 2017.

**Scott Hunt**  
**ONES Director**

**[Back to top](#)**



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National Credit Union Administration  
Office of the Executive Director

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**FEBRUARY 21, 2017**

**CONFIDENTIAL**

**OFFICE OF THE EXECUTIVE DIRECTOR  
MANAGEMENT REPORT**

## **TABLE OF CONTENTS**

Public and Congressional Affairs

Ombudsman Report

Office of Minority and Women Inclusion

Office of Continuity Security Management

Office of Small Credit Union Initiatives

Office of Chief Information Officer

Business Innovation

Office of Examination & Insurance

Office of the Chief Economist

Office of the Chief Financial Officer

Office of Human Resources

Office of Consumer Financial Protection Access

Office of General Counsel

Open Board Action Items

Schedule of Activity for Board Members

Senior Office Director Schedule of Activity

Regional Director/Region I

Regional Director/Region II

Regional Director/Region III

Regional Director/Region IV

Regional Director/Region V

Asset Management and Assistance Center

Office of National Examinations and Supervision

**Back to top**

## **PUBLIC AND CONGRESSIONAL AFFAIRS**

- **ADMINISTRATIVE**

- **SOCIAL MEDIA PROGRAM**

- ***Videos.*** PACA coordinated the filming and release of OSCUI's *Understanding Key Ratios* videos to educate credit union board members. In the first five days after the release, the series generated 2,267 views.
- ***Social Media Performance.*** In January, social media content drove more than 16,039 users to NCUA's public websites.

- **PUBLIC AFFAIRS**

- ***Press Releases and Statements.*** In January, PACA issued 15 press releases on topics like: the designation of Acting Chairman McWatters, the CUSO Registry reaffirmation period, and the certification of five credit unions as CDFIs. PACA also worked with other offices to develop statements on the member business lending rule litigation and the administration's regulatory freeze.
- ***Media Inquiries and Interviews.*** PACA responded to 25 media inquiries in January on topics related to the new administration, the decision in the MBL rule litigation, the agency's reply to Congressman Duffy on the possibility of a share insurance premium, and credit unions with open fields of membership. PACA also arranged an interview for CU Broadcast with OCSM on incident management.
- ***Share Insurance Fund Premium Talking Points.*** PACA worked with E&I to develop talking points about the potential SIF premium in anticipation of future questions.
- ***Website Plain Writing Changes.*** PACA convened a meeting with OCIO and OSCUI to review the plain writing report completed last year and make plans to implement recommendations contained in the report.
- ***Annual Report.*** PACA and OCFO are currently producing agency's *2016 Annual Report*. Both offices are finalizing critical sections of the report and will be circulating these drafts to the various offices for their review in early February. The goal is to complete the report by March 10, 2017.

- **CONGRESSIONAL AFFAIRS**

- (b)(5);(b)(8)



- **Duffy Response on SIF Premium Range.** In December, NCUA received a letter from Congressman Duffy (R-WI) requesting answers to his questions about the announced 2017 Share Insurance Fund premium range, the operations of the Share Insurance Fund, NCUA's efforts to limit spending, and the interplay between the Share Insurance Fund and the Stabilization Fund. PACA worked with E&I and OCFO to respond in early January.
- **Mortgage Servicing Assets Letter.** PACA delivered responses to Senators Boozman (R-AR), Cotton (R-AR), and Shelby (R-AL), and Congressmen Luetkemeyer (R-MO) and Hill (R-AR) who wrote to NCUA and the federal banking agencies about the June 2016 joint-agency report on mortgage servicing assets. PACA worked closely with E&I on the draft.
- **CBO Pay Scale Questions.** In January, PACA provided a copy of NCUA's 2015 collective bargaining agreement to the Congressional Budget Office in response to a request. (b)(5)
- **Stabilization Fund Certification Notification.** PACA notified key congressional staff of the certification for the 2017 administrative expenses of the Stabilization Fund, as required by law. PACA also delivered hard copies to selected lawmakers' offices.
- **@TheNCUA Monthly Wrap-up.** PACA distributed to the staff of Senate Banking and House Financial Services members a monthly activity wrap-up. The email highlighted the McWatters designation as Acting Chairman, the favorable court decision on NCUA's MBL rule, and NCUA's 2017 supervisory priorities.
- **Poliquin Low-Income Credit Unions.** PACA worked with OCP and Board Member Metsger's office to update Congressman Poliquin (R-ME) about efforts to requalify (b)(8) for the low-income designation.

[Back to top](#)

## OMBUDSMAN REPORT

### - Cases

Month	Received	Completed	Outstanding
January 2017	2	0	12
Year to date	2	0	12

### **Phone Calls**

<b>January 2017</b>	50
<b>Year to date</b>	50

### **Interagency Group:**

Coalition of Federal Ombudsman (CoFO):

- |        |
|--------|
| (b)(5) |
|--------|
- Update on position openings for the 2017 COFO Annual Conference

### **January 2017 Supervisory Review Committee Report**

### **Appeals**

<b>Credit Union</b>	<b>Month Rec'd</b>	<b>Status</b>	<b>Decision</b>
(b)(8)	June 29, 2016	(b)(5);(b)(8)	TBD
	December 29, 2016		TBD

[Back to top](#)

## **OFFICE OF MINORITY AND WOMEN INCLUSION**

- **ADMINISTRATIVE**

- OMWI Diversity Outreach Specialist, 

(b)(5);(b)(6)
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(b)(5);(b)(6)
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- **PROGRAMS**

- **Assessing diversity within the Agency, at all levels including senior management.**

- OMWI is currently accepting mentor and mentee applications for its second annual year-long mentoring program. The application deadline is February 15, 2017.

- **Preserving credit unions run by minorities and/or serving minorities.**

- Submitted 2016 MDI Congressional report.

- **Assessing the diversity policies and practices of entities regulated by the agency.**

- Results of the 2016 voluntary credit union self-assessment checklist are being analyzed.

(b)(5);(b)(8)

diversity. A full analysis will be provided as part of the 2016 OMWI Congressional Report.

- **Increasing participation of minority-owned and women-owned businesses (M/WOB) in the programs and contracts of the agency, including standards for coordinating technical assistance to such businesses.**

- Coordinated with E&I, ONES and OSCUI for two credit union industry panelists to contribute to M/WOB cybersecurity event co-hosted with OCC and FDIC.
- Completed analysis of 2016 year-end NCUA supplier diversity results with a record 32.4% of reportable contract awards performed with M/WOBs during 2017.

- **Mediation Program**

Two EEO mediations were conducted and both cases were settled.

- **EEO Complaint Processing**

No new complaints were filed, and no current complaints were closed.

**[Back to top](#)**

## **OFFICE OF CONTINUITY AND SECURITY MANAGEMENT**

- **PROGRAM**

NCUA Instructions	Date Circulated	Status
(b)(5)	1/2017	Pending comments review
	1/2017	Comments due Feb 1, 2017

**- Continuity of Operations (COOP) and Emergency Management Projects**

- **Business process analysis (BPA):** By March 15, the MDP team will [REDACTED]  
[REDACTED] (b)(5)
- **GETS/WPS Testing.** [REDACTED] (b)(5) OCSM reminds GETS/WPS holders that quarterly testing is required to meet federal COOP communications standards. Please follow the instructions and leave a message when conducting your test.
- **Issuance of WIFI Hotspots to all staff in essential continuity positions (ECPs).** All staff in essential continuity positions are required to have a hotspot in addition to their official iPhone and laptop. OCIO is issuing hotspots to all ECP staff that do not already have an NCUA device. This process will be completed by February 3, 2017.
- **Incident Management System.** OCSM provided IMS training to three SE Groups in Region I. OCSM has also been working with the vendor [REDACTED] (b)(5)

**- Physical Security Projects**

- **PIV Card Operations:** OCSM sent a reminder to staff to disregard PIV updates they receive via email from GSA USAccess. [REDACTED]  
[REDACTED] (b)(5)
- **Physical Access Control System:** Thanks to Region V for being the pilot for the regional security upgrades. In January, OCSM and regional staff conducted the final run  
[REDACTED] (b)(5);(b)(7)(E)

**- Personnel Security Projects**

- [REDACTED] (b)(5) OCSM is receiving comments from [REDACTED] (b)(5)  
[REDACTED] (b)(5)
- **Personnel and access security system (PASS) project:** OCIO and OCSM continued to work with OPM for e-delivery. [REDACTED] (b)(5);(b)(2)
- **Employee 5-Year Reinvestigations:** OCSM initiated Tier 2 (moderate risk) reinvestigations for 29 employees [REDACTED] (b)(5);(b)(7)(E)  
require reinvestigation every 5 years (vice 15 years) to comply with OPM standards.
- **Contractor employee screening:** OSCM processed 25 contractor applications for low and moderate risk public trust positions.

- 

(b)(5)

**- National Security and Intelligence Analysis Program**

(b)(5);(b)(7)(E)

[Back to top](#)

**OFFICE OF SMALL CREDIT UNION INITIATIVES**

- **ADMINISTRATIVE**

- **Grants & Loans**

We are on target to meet the April 1, 2017 deadline for compliance with the DATA Act. We

(b)(5)

- **Consulting**

We have completed enrollment of 153 credit unions into the 1<sup>st</sup> Semester 2017 competitive consulting program. EDS staff has reached out to begin work with each of these credit unions.

In addition, we continue to assist: 28 organizers of proposed FCUs, 9 credit unions with their NWRP, 7 Newly Chartered CUs, and 5 Urgent Needs cases.

**- Training**

OSCUI conducted a webinar on January 11: *Growing Loans by Partnering with the USDA*. Out of 355 registrants, 214 attended the live webinar and 70 received completion certificates. The remaining webinars planned for the first quarter of 2017 include *SBA Opportunities for Credit Unions* (Feb. 15) and *Pathway to Offering E-Services* (Mar. 22). Understanding Key Ratios, the final video in the board of directors series was released.

**- Partnership & Outreach**

OSCUI staff participated on a webinar hosted by the National Association of Federal Credit Unions on community development financial institution certification. (b)(4)

(b)(4)  
credit unions. We also coordinated with PACA to announce the first five low-income credit unions certified as CDFIs under the streamlined certification process developed jointly with the CDFI Fund.

**• PROGRAM**

The program division assisted with the implementation of the 1<sup>st</sup> Semester 2017 consulting program. We continue to work on a variety of projects including resources guides and enhancements to our SharePoint.

**Back to top**

**OFFICE OF CHIEF INFORMATION OFFICER**

**• ADMINISTRATIVE**

**I. IT PRIORITIZATION COUNCIL (ITPC)**

- OCIO facilitated the January ITPC meeting, developing supporting materials and presenting on the following topics:

- (b)(5)
-

(b)(5)

## **MAJOR PROGRAMS & INITIATIVES:**

### **I. ENTERPRISE SOLUTION MODERNIZATION (ESM) UPDATE**

- During January, the ESM team, comprised of the OCIO, Business Innovation, and OCFO

(b)(5)

•

•

(b)(5)

As soon as this issue has been addressed, the team will begin user acceptance testing.

- Also in January, the ESM Program Management team participated in day-long team building session with the goals of coalescing around shared vision of Program success and to identifying and agreeing on mutual success factors. The team clarified roles and discussed how to better optimize how the team works together to ensure program delivery. Lastly, the team learned more about one another and had some fun.

### **II. PAPERWORK REDUCTION ACT (PRA)**

- The PRA Team published three 60-day Federal Register notices (FRNs) for the renewals of currently approved collections; submitted four information collection requests (ICRs) for OMB approval, including a new collection from OMWI for Contractor's Diversity Profile information. OMB approved eight information collections: 5 reinstatements, 2 extensions, and 1 new (Minority Depository Institution Preservation Program).

### **III. 2017 IPHONE DEPLOYMENT**

- The iPhone registration period began on Tuesday, January 24, 2017 and will close on Tuesday, February 21, 2017. As of month end, the iPhone Registration Portal was active for 8 days with 75% of users (697 out of 924) completing the registration process. There were a total of 47 incidents reported to the Service Desk related to the iPhone

Registration Portal and a total of 138 registered users provided feedback on customer satisfaction - which remains at 94% with only 8% of respondents reporting issues during the registration process.

- (b)(5)  
currently being reviewed by the team and will be finalized in February 2017. (b)(5)  
(b)(5) are also currently in progress to assist users with their new phones.

#### IV. SERVICE DESK TRANSFORMATION TEAM

- (b)(5)
- (b)(5)
- Refresher training on ServiceNow was issued to OCIO staff and included a demo on incident and problem management. (b)(5)  
(b)(5)

#### V. PRISM IMPLEMENTATION

- In January, OCIO supported configuration, testing, authority to operate, and production PRISM deployment activities that resulted in a successful implementation in mid-January. The system is used by NCUA to support the complete acquisition management lifecycle, from initial planning and requisitioning through source selection, award, post award management, and closeout.

VI. (b)(5)

#### VII. INFORMATION SECURITY PROGRAM

- **System Authorization to Operate (ATO)**
  - We have begun the 2017 Assessment and Authorization (A&A) activities to ensure all information systems have complete, accurate and measurable authorization to operate (ATO) in accordance with the Federal Information Security Modernization Act (FISMA) and the National Institute of Standards and Technology. During January we focused on ensuring OCIO staff (Program Managers, Developers and System Administrators) were trained and understand their roles and responsibilities to managing, developing and implementing information technology solutions with appropriate System Development Life Cycle (SDLC) artifacts that support both resilience and security of our Agency's systems.



- **Cybersecurity Awareness, Training and Education 2017**

- (b)(5)

- **Information Security Program Policy and Procedure Manual**

- Thank you for your submitted comments, questions and concerns with the updated Information Security Policy. We continue to review and incorporate the submissions as appropriate in preparation of the issuance of this policy.

(b)(5)

## **SYSTEMS & INFRASTRUCTURE:**

### **I. CU ONLINE V2 DECEMBER CYCLE**

- The report submission deadline for the December 2016 Cycle ended on January 29, 2017. A total of 5,900 credit unions submitted their December 2016 Call Report. The system performed as expected during this time. Credit Union Online (CU Online) is a web-based program used by credit unions and state supervisory agencies to capture and display credit union information per quarter.

### **II. CUSO REGISTRY V1.4 FEB 1 ANNUAL REAFFIRMATION RELEASE**

- Release 1.4 for the CUSO Registry allows CUSOs to annually reaffirm registry data opened February 1, 2017. The release was successfully deployed to production on January 30 and includes updates to verify credit union customers against the CU list as of 01/01/2017. As part of the February 1 launch, E&I and OCIO provided an Industry Training Webinar to CUSOs on January 25 and training to the OCIO HelpDesk on January 31 in preparation for the opening. The CUSO Registry is a web-based program used by CUSOs to capture services provided to CUs and CUs investments, loans, and ownership in CUSOs.

**Back to top**

## **BUSINESS INNOVATION**

- **PROGRAM**

- **ESM PROGRAM**

Key milestones and updates are highlighted below for each ESM project.

- **Examination and Supervision Solution (ESS)**

- We continue to conduct market research to inform our sourcing strategy for the ESM Program.

(b)(5)

- (b)(5)

- 

- **Data Collection and Sharing Solution (DCS)**

- 

(b)(5)

- **Data Enterprise Reporting Solution (DRS)**

- 

(b)(5)

- 

- **Organizational Change Management**

- We distributed a narrated PowerPoint presentation to the regions for use during first quarter multi-group meetings. The presentation provides an ESM update with a focus on “what’s in it for me” intended for the examiner audience.
- We plan to conduct a change readiness assessment survey of all NCUA staff beginning on February 13<sup>th</sup>. The collective responses will provide insight into potential challenges and effective strategies to facilitate change, as well as help NCUA to identify areas where additional training, communication, and audience engagement may be needed.

- **Advisory Group**

- o We discussed the potential changes in the procurement strategy with the Advisory Group on February 7<sup>th</sup>. We also obtained feedback about the top business priorities for the iteration strategy.

(b)(5)

**Back to top**

**OFFICE OF EXAMINATION & INSURANCE**

- **ADMINISTRATIVE**

(b)(5);(b)(2)

## I. CONCURRENCES

**E&I processed no concurrences in January 2017.**

## II. CENTRAL LIQUIDITY FACILITY (CLF)

Staff providing items requested for yearend financial statement audit. Membership count 268 with staff working with one prospective member. Audit of 12/31/16 Financial Statements in progress.

### III. PROJECTS

- *Anti-Fraud.* Developing (b)(5)

(b)(5)

- **Bank Acquisitions.** (b)(5)  
(b)(5)
- **BSA.** New standalone BSA/AML SME. Core competencies and training curricula for a new BSA SME designation and Regional BSA specialists were developed. Enhanced (b)(5)
- **Call Report.** Wrapping up (b)(5)  
(b)(5) (b)(5)
- **Cybersecurity.** Outreach ongoing (b)(5)  
(b)(5)
- **Examiners Guide.** (b)(5)  
(b)(5) IRR, Fidelity Bonds, Total Analysis Process, Risk Focused Exams and MBLs have been published to the web. (b)(5)  
(b)(5)
- **FASB.** Stakeholder outreach plan has been developed for CECL implementation.  
(b)(5)
- **MBLs.** The final Examiners' Guide chapter including comprehensive examination procedures for evaluating commercial loans was published on the web. Staff provided training materials to the regions on the new Part 723 for use in upcoming multi-group-meeting training of examiners. Staff is forming a MBL Practitioners' Implementation Group to consult stakeholder views/experiences throughout 2017.
- (b)(5);(b)(8)
- **NGN.** (b)(5)
- **Overhead Transfer Rate.** (b)(5)  
(b)(5)

- **SCUEP.** 2017 minimum scope procedures issued. Most significant changes centered on exam pre-planning and certain consumer protection laws.
- **Secure Portal Implementation.** External pilot extended. (b)(5)
- **State Supervisory Authority Identity Validation and Systems Access.** (b)(5)
- **Supplemental Capital.** Board approved publication of the ANPR with a 90 day comment period on January 19, 2017.

**Back to top**

## **OFFICE OF THE CHIEF ECONOMIST**

### • **PROGRAM**

#### **- New Items**

- Provided advice and support for (b)(5) (b)(5) briefings for Board Member and Chairman.
- Developed background paper on (b)(5)
- (b)(5);(b)(8)
- Finished and disseminated risk report on HELOCs for Risk Forum members.
- (b)(2);(b)(5)
- Provided updated economic information for Region 3.
- Updated fraud monitoring tool for E&I.
- Developed (b)(5) (b)(5) for review by agency "footprint" team.

#### **- Old Items**

#### **- Ongoing Economic Indicators and Intelligence**

- Posted weekly economic updates with relevant focus pages.
- Updated the Macro and State dashboards for examiner/analyst use.

**- Ongoing Projects**

- Assistance with Rule Processes
  - (b)(5)
- FSOC Activities (OCE Personnel)
  - Represented NCUA in discussions at Deputies level.
  - Represented NCUA at the Nonbank Designations Committee and the Systemic Risk Committee and Regulation and Resolution Committee
- (b)(5)
- (b)(5)
- Work on LID cases for OCFPA (b)(8)

**Ongoing Service Activities**

- Internal Committees
  - Work on NCUSIF committee
  - Work on ERM council

**Back to top**

**OFFICE OF THE CHIEF FINANCIAL OFFICER**

• **ADMINISTRATIVE**

- (b)(2);(b)(5)
- 

• **PROGRAM**

**I. DIVISION OF FINANCIAL OPERATIONS**

- The new PRISM procurement system is live as of January 17.
- December 31, 2016 one percent deposit statements were mailed to credit unions in January.
- CLF dividend process was run on the first week following the quarter end and the statements were mailed to the credit unions the following day.
- (b)(5)
- Completed the lodging night bonus certification process in preparation for bonus payout in February.

## II. DIVISION OF FINANCIAL MANAGEMENT

- All funds: Fund-specific audits continue and are on-track. No major issues to report.
- SIF: No failures in January 2017.

## III. PERFORMANCE, BUDGET and RISK MANAGEMENT

- (b)(5)
- (b)(5)
- Delivered the Performance and Budget Results Summary report for 3<sup>rd</sup> Quarter 2016.

## IV. PROCUREMENT, FACILITIES MANAGEMENT, PUBLICATIONS & GRAPHICS:

- **Facilities**
  - 2nd, 3rd, 4th and 5th Floor Renovations – Design approved January 9, 2017; contractor developing MEP drawings. Work will be performed in phases. Final project approval pending Board review. (b)(5)
  - (b)(5)
  - Elevator project to start February 2, 2017. Communication to Central Office staff was release.
  - Transition completed for the building operations contract. New vendor, SDAC Facility Services, assumed operations on January 01, 2017. Staff working with vendor to solidify processes and operational tempo. No issues reported to date.
- **Procurement**
  - Preliminary 2016 procurement statistics: 368 contract actions totaling \$50.7 million.
  - ESC PRISM procurement system deployed on January 17. Fourteen (14) PRISM awards were issued between January 17-31 totaling over \$4.0 million. An additional 105 Delphi awards totaling over \$24.6 million were issued in January.
  - On January 13, 2017, a contract option was executed to implement Tier 1 Help Desk Services with NetImpact Strategies. Beginning in February 2017, the contractor will assume responsibility for responding to and resolving information technology help desk calls and emails. The contract contains additional options for services through 2020.
- **Distribution**
  - Printed and distributed the NCUA Report
  - Printed and mailed OCFO Invoices
  - 94 individual IT hardware Requests were processed in January
  - 34 print jobs were received and processed in the NCUA Print Shop

- 52 requests for office/equipment movement were fulfilled
- 19,500 pieces of incoming/outgoing US Mail processed
- 372 pieces of incoming/outgoing Federal Express shipments processed
- Publications sales netted \$3,013.00 for the month of January
- **Graphics**
  - Graphics support for the 2016 Combined Federal Campaign contributed in NCUA collecting over \$109,000 in donations. The support included over 50 posters that were designed, printed and mounted.
  - Completed layout and design of the charts and tables for OMWI's Minority Depository Institutions Congressional Report.
  - Completed layout and design of the Call Report Modernization Initiative: Internal Stakeholder Feedback for the Office of Examination and Insurance.
  - Completed layout and design of the OSCUI Strategy Guide: Member Business Lending.

**Back to top**

## **OFFICE OF HUMAN RESOURCES**

### **ADMINISTRATIVE**

- In coordination with OCFO and OCIO, OHR initiated the transition to a new Human Resources (HR) Information System that will replace the current system - Comprehensive Human Resources Integrated System (CHRIS). On January 23<sup>rd</sup>, OHR leadership and staff attended a demonstration of the new HR Information System that will be supported by IBM. The system is scheduled to deploy in May 2018.

### **- Staffing and Classification Division**

- Analysis of NCUA's 2016 new hires showed increased hiring of minorities and women. Of the 79 employees hired in 2016, 66% identified as a minority, a female, or a female minority. The agency also continued to attract and hire veterans. In 2016, 20% of new hires were veterans; 13% of new hires were disabled veterans.

### **- SSP Activity**

- (b)(5);(b)(6);(b)(2)
-



**- Benefits & Work-Life Division**

- The NCUA Savings Plan kicked off the third annual review

(b)(5);(b)(4)

- All nominations were received for the 2017 NCUA Annual Award Ceremony, scheduled for Wednesday, May 24, 2017. OHR is still working to schedule a venue for the event.

**- Labor and Employee Relations Division**

Completed negotiations with NTEU regarding iPhone 6S and 6S Plus upgrade rollout terms, procedures, and schedule.

**- Training and Development Division**

Teambuilding Session: DTD provided a DiSC modeled teambuilding session for 35 Examiners in Region II.

2017 Course Allocations: All NCUA Examiners and State Examiners were loaded into their requested classes for 2017. Twenty-five NCUA Examiners and 77 State Examiners are currently wait-listed for classes (NCUA for FFIEC and State for FFIEC and Core).

**Back to top**

## **OFFICE OF CONSUMER FINANCIAL PROTECTION ACCESS**

**• ADMINISTRATIVE**

Consumer Access / Consumer Access-South:

(b)(5);(b)(2)

(b)(5);(b)(2)

Consumer Compliance Policy and Outreach: Announcement for the vacant Program Officer position closed on January 9<sup>th</sup>.

**- CONSUMER ASSISTANCE CENTER JANUARY ACTIVITY**

- Telephone Calls: 1,986 (1,986 YTD)
- Consumer Complaints: 429 new (429 YTD); 492 closed (492 YTD); and 451 outstanding

**- FINANCIAL LITERACY JANUARY ACTIVITY**

Facilitated several initiatives to increase awareness of, and access to, affordable credit union services and NCUA's financial literacy and consumer financial protection policies and programs. Finalized 6 brochures for the public on OCFPA financial literacy and consumer financial protection resources.

**- FAIR LENDING AND CONSUMER COMPLIANCE JANUARY ACTIVITY**

Drafted two regulatory alerts on HMDA reporting criteria and revised mortgage servicing rules. Scheduled credit unions for 2017 onsite fair lending examinations. Participated in demo of

(b)(5)

Conducted training for field staff at two Region I group meetings on additional consumer compliance activities for 2017 FCU examinations. These activities include pre-exam planning review of consumer complaints and groups added to the FOM; and required and baseline reviews of MLA, SCRA and ECOA compliance. Participated in CUNA's MLA webinar for Defense Credit Union Council members on January 31, 2017.

**- CONVERSION TO MUTUAL SAVINGS BANK**

(b)(8)

(b)(8);(b)(5)

vote.

**- CONVERSION TO PRIVATE INSURANCE**

(b)(8)

(b)(8);(b)(5)

(b)(8);(b)(5)

(b)(8)

**Federal Credit Union**

(b)(8)

**Management**

proposes converting to a privately insured credit union. The application is currently under review.

**- OTHER CONSUMER ACCESS ITEMS**

(b)(5)

**FOM Working Group.** Guidance webinar scheduled for February 1<sup>st</sup>. Working on guidance materials and webinar content. Comment period on FOM Rule 2 closed December 9<sup>th</sup> – 54 comment letters were received on the proposed rule. Will shift resources to focus on FOM Rule 2 next month.

**Back to top**

## **OFFICE OF GENERAL COUNSEL**

### **- Litigation and Administrative Actions**

#### **- Updates on New and Significant Supervisory Actions:**

- 

(b)(5);(b)(8)

- 

(b)(5);(b)(8)

- 

(b)(5);(b)(8)

- **MBL Regulation challenge** – The ICBA brought an APA challenge to NCUA’s MBL regulation, arguing that NCUA exceeded its authority by exempting from the MBL limit loans and participations not made to members of the credit union. The district court recently granted our motion to dismiss, accepting all of our arguments. NAFCU & CUNA sought the court’s permission to file an amicus brief supporting our position, though the court denied the motion as moot at the same time that it dismissed the case. ICBA now has until March 27 to file an appeal.

- 

(b)(5);(b)(8)

- 

(b)(5);(b)(8)

(b)(5);(b)(8)

• (b)(5);(b)(8)

**- Proposed, Interim Final, and Final Regulations**

Title/CFR Part/ Section	Description	Status
	(b)(5)	We anticipate presenting proposed rules in 2017.
		We anticipate presenting a final rule in 2017.
		We anticipate presenting proposed rules in 2017.
		We anticipate presenting the proposal in 2017.

**Administrative Appeals.**

**A. Freedom of Information Act (FOIA) Appeals**

1. (b)(5);(b)(6);(b)(8)

approval of the merger. Some responsive materials were withheld from him in our initial response, and he has appealed that determination. We are reviewing the documents and the pertinent statutory exemptions and will be providing a response to

(b)(5);(b)(6)

**B. Insurance, Creditor, Troubled Credit Union, MBL, Conservatorship Claim Appeals, and Requests under 12 U.S.C. 1785(d) –**

1. (b)(5);(b)(8)

2.

**Back to top**

**OPEN BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

• (b)(5)

•  
•  
•

• • • • •

Following is the most current Schedule of Activity and Regional Management Reports.

(b)(6)

Executive Director Mark Treichel

**Back to top**

<b><u>SCHEDULE OF ACTIVITY FOR BOARD MEMBERS</u></b>
--

<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>
<b>ACTING CHAIRMAN McWATTERS</b>		
February 27 - March 1	CUNA Governmental Affairs Conference	Speaker

**BOARD MEMBER METSGER**

February 27-28	CUNA Governmental Affairs Conference	Speaker
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**[Back to top](#)**

**SENIOR OFFICE DIRECTORS**  
**SCHEDULE OF ACTIVITY**

**DATE(s)**

**EVENT/LOCATION**

**PURPOSE**

**MONICA DAVY**

None

**ED DORRIS**

None

**LARRY FAZIO**

None

**SCOTT HUNT**

None

**RENDELL JONES**

None

**GAIL LASTER**

None

(b)(6);(b)(5)

**MIKE MCKENNA**

None

(b)(6);(b)(5)

**MARTHA NINICHUK**

None

<b><u>SENIOR OFFICE DIRECTORS</u></b>		
<b><u>SCHEDULE OF ACTIVITY</u></b>		
<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>

**RALPH MONACO**

None

**MARK TREICHEL**

None

**Back to top**



**REGIONAL DIRECTOR / REGION I  
MANAGEMENT REPORT**

Date: February 6, 2017

*Based on current staffing and remaining hours, Region I plans to complete program without assistance from other Regions.*

(b)(5);(b)(8)

**Supervision –Current significant cases: (In order of potential risk to NCUSIF):**

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS:**

- (b)(5);(b)(8)

- 

**Travel Schedule:**

(b)(5);(b)(6)

March 15, 2017 · Region 1 SSA Meeting in Albany, NY

**Larry Blankenberger  
Regional Director**

**[Back to top](#)**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION II  
MANAGEMENT REPORT**

Date: January 31, 2017

**Supervision** (Current and New Significant Cases)

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

**TRAVEL SCHEDULE**

**Jane A. Walters  
Regional Director**

**[Back to top](#)**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION III  
MANAGEMENT REPORT – FEBRUARY**

**PROGRAM**

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

(b)(5);(b)(8)

**TRAVEL and LEAVE SCHEDULE**

2/6	Tennessee League Speaking Engagement <i>(already advertised)</i>	Nashville, TN
(b)(5);(b)(6)		
3/3	Alternate Exam Working Group Meeting	Alexandria, VA
3/6-10	Multi SE Group Meeting (SEs: A, B, R & S)	Orlando, FL

3/20-24	Multi SE Group Meeting (SEs: I, J, M & N)	New Orleans, LA
(b)(5);(b)(6)		
3/27-31	Multi SE Group Meeting (SEs: C, D, E & F)	Atlanta, GA

**Myra M. Toeppe**  
**Regional Director**

**[Back to top](#)**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION IV  
MANAGEMENT REPORT**

Date: February 3, 2017

(b)(5);(b)(6)

**State MBL Rules** – (b)(5) the Illinois SSA (b)(5) revisions in their proposed rule. They are in the second comment period (b)(5)

(b)(5)

**FLEX** – We completed training for Phase 2 of the FLEX pilot program for which exams will begin in March.

(b)(5);(b)(8)



(b)(5);(b)(8)

<b>Travel Schedule for RD</b>
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None
------

**Keith Morton**  
**Regional Director**

**[Back to top](#)**

# REGIONAL DIRECTOR/REGION V-TEMPE MANAGEMENT REPORT

February 2, 2017

## **Program**

Based on current staffing and remaining hours, Region 5 plans to complete program without assistance from other Regions.

## **Supervision - Current and New Significant Cases**

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None planned.

**TRAVEL/LEAVE SCHEDULE**

03/02 – 03/03	SSA Working Group Meeting, Alexandria
03/07 – 03/09	MGM Training, Portland, OR
03/21 – 03/23	MGM Training, Burbank, CA
03/28 – 03/30	MGM Training, Concord, CA

**Cherie L. Freed**  
**Regional Director**

**[Back to top](#)**

# ASSET MANAGEMENT AND ASSISTANCE CENTER MANAGEMENT REPORT

February 6, 2017

## STAFFING

Federal	32
Non-Federal	27
Temporary	12
	71

## ASSETS IN LIQUIDATION

(b)(8)	1/31/2017			12/31/2016		
	#	Gross	Net	#	Gross	Net
Consumer Loans	(b)(5);(b)(8);(b)(4)					
Real Estate Loans						
Commercial Loans						
Judgments/Settlement						
Participations						
<b>Subtotal Loans</b>						
Restitution						
REO						
Other Assets						
<b>Totals</b>						

**NEW LIQUIDATION CASES** - None

## ONGOING MAJOR LIQUIDATIONS

(b)(5);(b)(8)
---------------

## Corporate Credit Unions

Deal	NCUA Guarantee Note Issuance (ties to BNY/Wells Fargo Investor Reports)						
	In Thousands of Dollars						
	January 31, 2017						
Deal	Original Balance	Total P&I (Month-to-Date)	Total P&I (Year-to-Date)	Principal (Life-to-Date)	Interest (Life-to-Date)	Total P&I (Life-to-Date)	1/31/2017 Ending Balance
NGN 2010-A1	1,160,863	15,487	15,487	905,352	22,278	927,630	255,511
NGN 2010-C1	3,760,000	-	-	3,760,000	456,308	4,216,308	-
NGN 2010-R1	3,846,500	42,406	42,406	2,851,049	105,501	2,956,550	995,451
NGN 2010-R2	5,482,000	50,984	50,984	3,566,833	145,733	3,712,566	1,915,167
NGN 2010-R3	3,518,200	26,260	26,260	1,812,336	146,007	1,958,343	1,705,864
NGN 2011-C1	840,000	11,041	11,041	613,768	20,800	634,567	226,232
NGN 2011-M1	2,210,000	-	-	1,155,000	196,804	1,351,804	1,055,000
NGN 2011-R1	1,511,000	14,535	14,535	925,940	42,575	968,514	585,060
NGN 2011-R2	1,253,000	10,829	10,829	736,481	32,932	769,412	516,519
NGN 2011-R3	1,096,000	7,704	7,704	747,051	25,577	772,628	348,949
NGN 2011-R4	1,525,000	16,223	16,223	1,404,034	24,727	1,428,761	120,966
NGN 2011-R5	1,165,000			1,165,000	15,628	1,180,628	-
NGN 2011-R6	965,000			965,000	10,076	975,076	-
<b>Total:</b>	<b>28,332,563</b>	<b>195,469</b>	<b>195,469</b>	<b>20,607,844</b>	<b>1,244,946</b>	<b>21,852,787</b>	<b>7,724,719</b>

**BOND CLAIMS FILED - None**

### CLAIM RECOVERY RECEIVED

Credit Union Name	Bond Limit	Original Filed Amt	Recoveries
(b)(5);(b)(8);(b)(4)			\$23,935.20

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS – None**

### AMAC Initiatives

- (b)(5)
- **Efficiency Study**
  - Initiated a time study to evaluate operating efficiency within AMAC.
  - Created an AMAC Suggestions email account for staff to contribute suggestions.
- **Internal Controls**
  - (b)(5)
  -

**Keith Morton**  
Acting AMAC President

**Back to top**

**OFFICE OF NATIONAL EXAMINATIONS AND SUPERVISION**  
**(ONES) MANAGEMENT REPORT**

February 2, 2017

**STAFFING**

(b)(5);(b)(6);(b)(8);(b)(2)

**PROGRAM**

**SIGNIFICANT PROGRAM ISSUES**

**Corporate Credit Unions**

(b)(5);(b)(8)

**Consumer Credit Unions**

(b)(5);(b)(8)

## **Other Issues**

- As we did in 2015, we are developing a document for lessons learned and best practices for the 2016 capital planning cycle. We shared the document with the Board. This will be distributed to our covered credit unions.
- We are drafting guidance for the large natural person credit unions (b)(5)  
(b)(5)
- We continue working with OCIO to develop (b)(5)  
(b)(5)  
(b)(5) The conversion of the NCUA 5310 Corporate Credit Union Call Report process to the existing CU Online system for natural person credit union call reports is complete. Corporate credit unions will start using the system with the January call reports due in February.
- We contracted with a third party (TraceSecurity) to perform various IT vulnerability tests on a voluntary basis at several institutions overseen by ONES in 2015 and 2016. (b)(5)  
(b)(5) As part of our budget prioritization, we decided not to exercise our option for the third year of the contract.  
(b)(5)

<b>PROPOSED BOARD ACTIONS WITHIN THE NEXT 90 DAYS</b>	<b>ONES DIRECTOR'S CALENDAR</b>
<i>February</i>	No travel/leave scheduled
• None	
<i>March</i>	
• None	
<i>April</i>	
• None	

**Scott Hunt**  
**ONES Director**

**[Back to top](#)**



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National Credit Union Administration  
Office of the Executive Director

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**MARCH 23, 2017**

**CONFIDENTIAL**

**OFFICE OF THE EXECUTIVE DIRECTOR  
MANAGEMENT REPORT**



## **TABLE OF CONTENTS**

**Public and Congressional Affairs**

**Ombudsman Report**

**Office of Minority and Women Inclusion**

**Office of Continuity Security Management**

**Office of Small Credit Union Initiatives**

**Office of Chief Information Officer**

**Business Innovation**

**Office of Examination & Insurance**

**Office of the Chief Economist**

**Office of the Chief Financial Officer**

**Office of Human Resources**

**Office of Consumer Financial Protection Access**

**Office of General Counsel**

**Open Board Action Items**

**Schedule of Activity for Board Members**

**Senior Office Director Schedule of Activity**

**Regional Director/Region I**

**Regional Director/Region II**

**Regional Director/Region III**

**Regional Director/Region IV**

**Regional Director/Region V**

**Asset Management and Assistance Center**

**Office of National Examinations and Supervision**

**Back to top**

## **PUBLIC AND CONGRESSIONAL AFFAIRS**

### **- SOCIAL MEDIA PROGRAM**

- ***Social Media Performance.*** In February, combined retweets, mentions and shares on NCUA's social media sites increased 61 percent from the previous month to 2,073. Content clicks drove more than 30,503 visits to NCUA's public websites.

### **- PUBLIC AFFAIRS**

- ***Media Inquiries and Interviews.*** PACA responded to 19 media inquiries during the month on topics related to the agency's new field-of-membership rule, the Melrose conservatorship and taxi medallion credit unions, share insurance coverage for credit union members, and a possible share insurance premium. PACA arranged interviews for *NextCity* magazine on the benefits of community development financial institutions and for *DebtWire* on an agency securities sale. PACA also placed a commentary from OSCUI Director Martha Ninichuk on CDFI certification in *Credit Union Times*.
- ***Annual Report.*** The joint OCFO PACA team worked diligently on the development of the 2016 Annual Report. The report is currently going through the last stage of the approval process. The Annual Report will be finalized by March 10 for submission to the CEAR competition and will be posted on the public website March 13.
- ***NCUA Report.*** PACA worked with OCFO to discontinue monthly publication of *The NCUA Report* newsletter. The newsletter will now be published on a quarterly basis. The remaining 2017 issues will be available in May, August and November. Traffic to the online versions of the newsletter was 5,885 page views in February.

### **- CONGRESSIONAL AFFAIRS**

- ***Financial CHOICE Act.*** On February 9, PACA obtained a copy of a memo that was circulating amongst House Financial Services Committee staff discussing the new Financial CHOICE Act provisions and differences from the previous version in the 114<sup>th</sup> Congress. PACA prepared a summary of how the revised bill would affect NCUA. PACA will continue to monitor.
- ***House Financial Services Approves Oversight Plan.*** On February 7, PACA monitored the House Financial Services Committee approve its oversight plan for the 115<sup>th</sup> Congress. With respect to NCUA, the oversight plan notes that the Committee will examine the safety and soundness supervision of the credit union system to ensure that systemic risks or other structural weaknesses in the financial sector are identified and addressed promptly.
- ***Melrose Conservatorship.*** On February 10, PACA notified key congressional contacts and affected offices of the conservatorship of Melrose Credit Union. PACA also called

offices of Members of Congress who serve on the House Financial Services Committee who are in areas close to the credit union or who have previously expressed interest in taxi medallion credit unions.

(b)(5);(b)(8)

[Back to top](#)

## **OMBUDSMAN REPORT**

### **- Cases**

<b>Month</b>	<b>Received</b>	<b>Completed</b>	<b>Outstanding</b>
<b>February 2017</b>	2	0	15
<b>Year to date</b>	4	0	15

### **- Phone Calls**

<b>February 2017</b>	42
<b>Year to date</b>	92

**- Interagency Group:**

Coalition of Federal Ombudsman (CoFO):

- Updates on the election of Executive Officers and Executive Committee position openings
- (b)(5)
- Interagency Alternative Dispute Resolution Working Group (IADRWG) update

**February 2017 Supervisory Review Committee Report**

**Appeals**

Credit Union	Month Rec'd	Status	Decision
(b)(8) FCU	June 29, 2016	FCU withdrew appeal on 02-13-17	N A
(b)(8) FCU	December 29, 2016	FCU <div style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;">(b)(5)</div> <div style="border: 1px solid black; display: inline-block; width: 100px; height: 1.2em; vertical-align: middle;">(b)(5)</div>	TBD

[Back to top](#)

**OFFICE OF MINORITY AND WOMEN INCLUSION**

• **ADMINISTRATIVE**

- Director and Deputy Director conducted a priorities briefing for Acting Chairman McWatters on February 21, 2017.

• **PROGRAM**

- **Assessing Diversity within the Agency**

- The agency's Diversity Advisory Council (DAC) held its first 2017 quarterly meeting. The Council discussed issues such as DAC and agency diversity and inclusion training, yearly DAC activities, and new Council membership.
- The agency was successful in submitting the annual Management Directive 715 (MD-715) report to the Equal Employment Opportunity Commission by the report's February 17, 2017 due date. The report lays out the agency's successes in building and sustaining a model EEO program.

**- Increasing Participation of Minority and Women-Owned Businesses in NCUA Contracts**

- Attended the National Association of Minority and Women Owned Law Firms (NAMWOLF) Business Meeting and met with ten MWOLFs either interested in or currently doing work with NCUA.

**- EEO Complaint Processing**

One new complaint was filed, and no current complaints were closed.

**Back to top**

## **OFFICE OF CONTINUITY AND SECURITY MANAGEMENT**

- **PROGRAM**

- Continuity of Operations (COOP) and Emergency Management Projects**

- (b)(5)
- 
- **Central Office Emergency Volunteer Training.** OCSM will offer training for Central Office Emergency Volunteers on March 9 and March 30, 2017.
- **Incident Management System (IMS).** OCSM and OCIO negotiated with the vendor to reduce the price of IMS several upgrades requested by regional and field staff. OCSM is

(b)(5)

- Physical Security Projects**

- **Physical Access Control System:** Region V installation, training, activation and acceptance was completed on February 17. OCSM is coordinating with the vendor for

(b)(5);(b)(7)(E)

**- Personnel Security Projects**

- (b)(5) (b)(5)  
(b)(5)
- **PASS project:** OCIO and OCSM continued to work with the vendor to (b)(5)  
(b)(5);(b)(7)(E)
- **Employee 5-Year Reinvestigations:** OCSM initiated Tier 2 (moderate risk) reinvestigations for 45 employees (b)(5) who require reinvestigation.
- **Contractor employee screening:** OCSM processed 22 contractor applications for low and moderate risk public trust positions.
- **Regulation Change:** The Office of Personnel Management issued a final regulation at Title 5, Code of Federal Regulations, parts 330 and 731 "Recruitment, Selection, and Placement (General)" and "Suitability," respectively. This rule requires agencies to provide applicants with a tentative offer of employment prior to obtaining the Official Form (OF)-306. OCSM and OHR are coordinating with the regions on implementation by the March 31<sup>st</sup> due date.
- **Personnel Security Instruction:** OCSM is revising the NCUA Instruction 9903 to include the responsibilities for the regulation change noted above. (b)(5)  
(b)(5)

**- National Security and Intelligence Analysis Program**

(b)(5)

[Back to top](#)

## **OFFICE OF SMALL CREDIT UNION INITIATIVES**

- **ADMINISTRATIVE**

- **CUNA Government Affairs Conference**

OSCUI Director and Deputy Director presented at the following events: CUNA's Small Credit Union Committee, CUNA's Small Credit Union Roundtable, and the National Federation of Community Development Credit Union Roundtable. Credit union participants voiced their appreciation of the CDFI certification streamlined process that NCUA has offered to all low income designated credit unions.

- **Grants & Loans**

The first CDFI qualification round opened on February 13, 2017. We have received 21 requests for evaluation to qualify to use the streamlined application as of February 27, 2017. In addition, The CDRLF team is currently working with OCFO to determine the status of our 2017 funding appropriation.

- **Training**

OSCUI conducted a webinar on February 15: SBA Opportunities for Credit Unions. Out of 417 registrants, 235 attended the live webinar. The remaining webinars planned for 2017 include Pathways to Offering E-Services (Mar. 22), 2017 CDRLF Grants and Loans, and Other Sources of Grant Funds (May 17).

- **Partnership & Outreach**

OSCUI hosted the first quarterly meeting of the Small Credit Union Advisory Group. The group is comprised of SEs with the highest concentration of small credit unions in their portfolio, two state supervisory authority representatives, and the OSCUI regional liaisons. The meeting featured a presentation by the U.S. Department of Agriculture on its Community Facilities Re-Lending Program.

- **Programs**

The Program Division launched a project to review the entire OSCUI consulting program and make recommendations to gain efficiencies, reduce redundancies and otherwise enhance the overall program. A recommendations report to management is scheduled for May 31, 2017.

**[Back to top](#)**

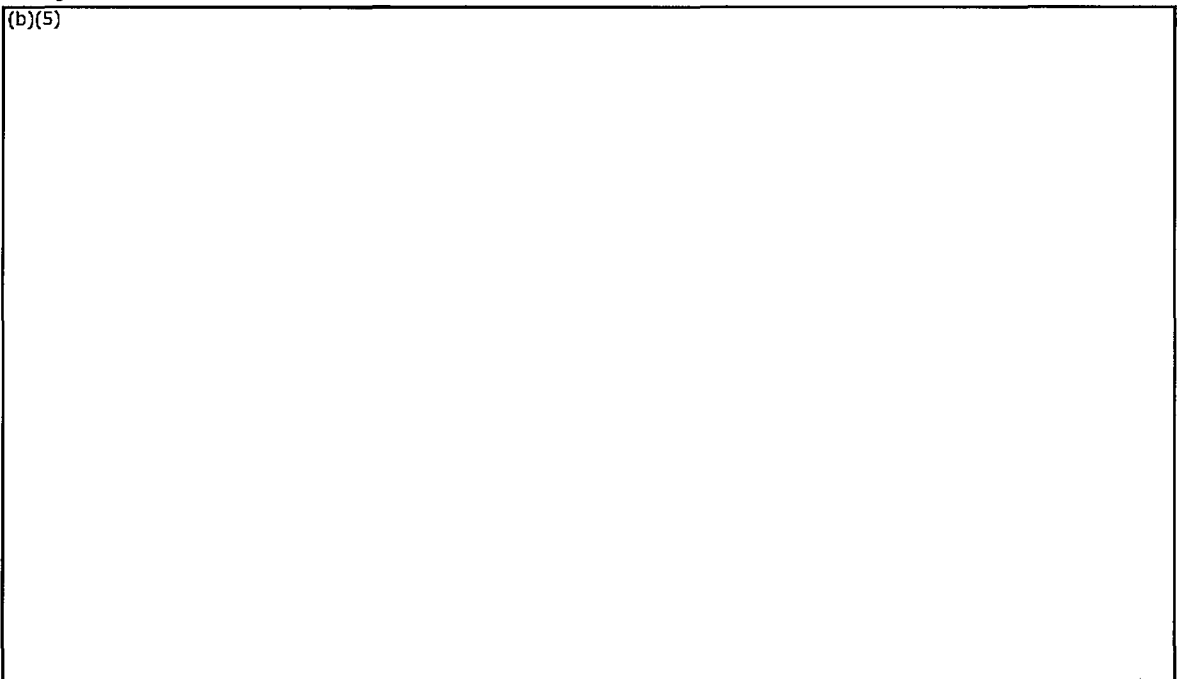
# **OFFICE OF CHIEF INFORMATION OFFICER**

- **PROGRAMS**

- **MAJOR PROGRAMS & INITIATIVES:**

## **I. ENTERPRISE SOLUTION MODERNIZATION (ESM) UPDATE**

- In February, the ESM team members completed benchmarking meetings to gather lessons learned related to implementation methodologies, organizational change management, and best practices each organization experienced during the implementation of their respective tools.


- (b)(5)  

- 
- 
- 
- 

## **II. 2017 IPHONE DEPLOYMENT**

- The iPhone registration period closed on Tuesday, February 21. The iPhone Registration Portal was active for 29 days with 97.2% of users (905 out of 931) completing the registration process.
- Shipping will begin March 14 – May 1 with a “catch-up” period in May 2017.
- User aids including activation, and device wiping instructions, along with a video for iPhone 6s and 6s Plus recipients have been completed.

## **III. SERVICE DESK TRANSFORMATION TEAM**

- In February, the Service Desk Transformation team continued to work on expanding service desk resources (Tier 1 staff). Tier 1 will be onsite at Central Office from March 13 – March 24 to shadow NCUA Service Desk Staff.

- (b)(5)  




#### IV. PASS

- In February, OCIO met with the vendor to discuss path forward to ensure that NCUA has an operational personnel management system. (b)(5)

(b)(5)

#### - SYSTEMS & INFRASTRUCTURE:

##### I. CORPORATE v2 INTERIM SOLUTION: PHASE II

- Phase II of the Corporate v2 Interim Solution project successfully concluded with the February 6 production launch of the Corporate Credit Union (CCU) Online application. CCU Online is an updated web-based application that replaces SAFE32, an antiquated desktop application. CCU Online mirrors the current CU Online functionality and is utilized by corporate credit unions to report their financial data to NCUA.

##### II. FOM RULE CHANGE

- On February 2, the Field of Membership (FOM) IT solution was released into production. The changes included two new community codes added to the GENISIS application.

Back to top

## BUSINESS INNOVATION

- PROGRAM

- ESM PROGRAM

Key milestones and updates are highlighted below for each ESM project.

- **Examination and Supervision Solution (ESS)**
  - We continue to conduct market research to inform our sourcing strategy for the ESM Program.

○

○

○

(b)(5)

- **Data Collection and Sharing Solution (DCS)**

- [REDACTED] (b)(5)
- We are in the process of [REDACTED] (b)(5)
- [REDACTED] (b)(5)

- **Data Enterprise Reporting Solution (DRS)**

- [REDACTED] (b)(5)
- [REDACTED] (b)(5)

- **Organizational Change Management**

- We conducted a change readiness assessment survey of all NCUA staff that was open February 13-27. We received over 400 survey responses, many with written comments to the open text questions. The survey responses will provide insight into potential challenges and effective strategies to facilitate change, as well as help NCUA to identify areas where additional training, communication, and audience engagement may be needed.

**Back to top**

## **OFFICE OF EXAMINATION & INSURANCE**

- **ADMINISTRATIVE**

[REDACTED] (b)(5);(b)(2)

### **I. CONCURRENCES**

E&I processed three concurrences in February 2017.

## II. CENTRAL LIQUIDITY FACILITY (CLF)

Staff providing items requested for yearend financial statement audit. Membership count 269 with staff working with one prospective member and one withdrawal due to merger. Audit of 12/31/16 Financial Statements completed.

## III. PROJECTS

**Anti-Fraud.** Developing (b)(5)

(b)(5)

**BSA.** New standalone BSA/AML SME. Core competencies and training curricula for a new BSA SME designation and Regional BSA specialists were developed. (b)(5)

(b)(5)

**Call Report.** (b)(5)

(b)(5)

**Cybersecurity.** Outreach ongoing; Staff training deployed (b)(5)

(b)(5)

**Examiners Guide.** (b)(5)

(b)(5)

IRR, Fidelity Bonds, Total Analysis Process, Risk Focused Exams and MBLs have been published to the web.

**FASB.** (b)(5) Working closely with the other regulatory agencies.

**MBLs.** Staff participated in inaugural MBL Practitioners' Group and discussed dialogue objectives with six credit union lending representatives. (b)(5)

**NGN.** (b)(5)

**Overhead Transfer Rate.** (b)(5)

(b)(5)

(b)(5)

**State Supervisory Authority Identity Validation and Systems Access.** (b)(5)

(b)(5)

(b)(5)

(b)(5)

***Supplemental Capital.*** Board approved publication of the ANPR with a 90 day comment period which will end on May 9th.

**[Back to top](#)**

## **OFFICE OF THE CHIEF ECONOMIST**

- **PROGRAM**

- **New Items**

- [REDACTED] (b)(5)
- Provided draft of credit union section for FSOC Annual Report and edits to the first draft of the report.
- Developed new data release format for Call Report data.

- **Ongoing Projects**

- Continued work on LID cases for OCFPA ([REDACTED] (b)(8))
- [REDACTED] (b)(5)
- [REDACTED] (b)(5)
- Assistance with Rule Processes
  - [REDACTED] (b)(5)
  - [REDACTED] (b)(5)
- [REDACTED] (b)(5)

**[Back to top](#)**

## **OFFICE OF THE CHIEF FINANCIAL OFFICER**

- **ADMINISTRATIVE**

- [REDACTED] (b)(2);(b)(5)
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- **PROGRAM**

- **I. DIVISION OF FINANCIAL OPERATIONS**

- Preparing for March 2017 cycle 1 invoicing for credit unions' one percent capital deposit adjustment and operating fee.
- (b)(5)

- **II. DIVISION OF FINANCIAL MANAGEMENT**

- All 2016 financial audits completed with unmodified (clean) opinions and no reportable conditions.
- Share Insurance Fund: No failures in February 2017.

- **III. PERFORMANCE, BUDGET and RISK MANAGEMENT**

- The annual operating fee letter was signed by the Chairman on February 10 and issued to federal credit unions announcing the 2017 operating fee schedule changes, and providing the online calculator weblink to plan for the NCUA payments due on April 17, 2017.
- (b)(5)

- **IV. PROCUREMENT, FACILITIES MANAGEMENT, PUBLICATIONS & GRAPHICS**

- **Facilities**

- Construction Drawings 5<sup>th</sup> floor approved and forwarded for permitting as of February 24. (b)(5)
- Elevator project started February 2.
- Building operations contract. New vendor, SDAC Facility Services.

- **Procurement**

- A contract was awarded to Integrated Financial Engineering of Rockville, MD to maintain and update the econometric model used to calculate the general reserve needs for the National Credit Union Share Insurance Fund. The contract contains options for services through 2021.
- Contracts were awarded to support the issuance and deployment of iPhone and mobility devices across NCUA and to renew the associated wireless services. Awards were made to AT&T Mobility and Verizon Wireless on February 13, and February 24, respectively. The contracts include options for services through 2018.

**Back to top**

## **OFFICE OF HUMAN RESOURCES**

- **ADMINISTRATIVE**

- OHR management did a thorough review of the OHR budget to determine where programs could be reduced or cancelled to save money and as a result, was able to offer

(b)(5)

- In concert with the TMC, OHR staff worked through SME transition issues in order to implement new SME groups and training in 2018.

- (b)(5);(b)(2)

- **Staffing and Classification Division**

- Advised NCUA senior leadership on evaluating hiring and reallocation options in accordance with OPM and OMB guidelines to determine appropriate exemptions and allowable actions during the hiring freeze. DSC coordinated with OPM and OMB to

(b)(5);(b)(2)

- **SSP Activity**

- 
- 
- 

(b)(5);(b)(6);(b)(2)

(b)(5);(b)(6);(b)(2)

- **Benefits & Work-Life Division**

- Announced the new *Worklife4You* program available to all NCUA employees and members of their immediate household. This program replaces the bi-monthly wellness webinars. This new program is a cost savings for the agency but also offers excellent program options. Users can access information on a very wide range of topics whenever they need/want them. Also, this program offers customized research capabilities on a wide range of worklife issues.

- Planning for the 2017 Of-the-Year award ceremony continued including (b)(5)

(b)(5)

**- Training and Development Division**

- OHR/DTD hosted the February 2017 Principle Examiner Certification in Dallas, Texas, on February 8, 2017. Seventy-three candidates took one or more parts of the test. Fifty-four candidates completed the Multiple Choice section, 57 completed the Job Simulation section, and 49 completed the writing section.
- (b)(5)
- (b)(5)
- **Staff/Supervisor Training:** To address the need for non-examiner and supervisor/manager training, DTD has acquired a five-year contract for the FranklinCovey All-Access Pass. This will provide a wide variety of training (including web-based) for up to 350 persons. With the pass, we will no longer pay for individual classes or kits. They are all included in the price. DTD will disseminate information regarding the availability of the courses and accessing the courses in LearnCenter by the end of March.

**Back to top**

**OFFICE OF CONSUMER FINANCIAL PROTECTION ACCESS**

• **ADMINISTRATIVE**

(b)(2);(b)(5)

**- CONSUMER ASSISTANCE CENTER FEBRUARY ACTIVITY**

- Telephone Calls: 1,784 (3,770 YTD)
- Consumer Complaints: 542 new (971 YTD); 513 closed (1,005 YTD); and 486 outstanding

**- FAIR LENDING AND CONSUMER COMPLIANCE FEBRUARY ACTIVITY**

Facilitated HMDA-ECOA webinar with CFPB on February 28, 2017. Coordinated with OGC to

(b)(5)

Sent letters notifying 53 credit unions of HMDA late or non-filing status. Sent Preliminary Warning Letters to eight credit unions for repeated HMDA late or non-filing.

Developed implementation plan in anticipation of March 31, 2017, effective date of the FFEIC Uniform Consumer Compliance Rating System guidance issued in November 2016.

**- CONVERSION TO PRIVATE INSURANCE**

(b)(8) Management  
proposes converting to a privately insured credit union. (b)(8);(b)(5)  
(b)(8);(b)(5)

**- OTHER CONSUMER ACCESS ITEMS**

**FOM Working Group.** Guidance webinar held on February 1<sup>st</sup>. (b)(5)  
(b)(5)

[Back to top](#)

## **OFFICE OF GENERAL COUNSEL**

**- Litigation and Administrative Actions**

**- Updates on New and Significant Supervisory Actions:**

- (b)(5);(b)(8)
- 
- 
- MBL Regulation challenge – The ICBA has until March 27 to file an appeal of our win in district court.



- Melrose CU – We are working with Region 1 in its conservatorship appointment. We are

(b)(5);(b)(8)

- 

(b)(5);(b)(8)

- 

(b)(5);(b)(8)

**- Proposed, Interim Final, and Final Regulations**

Title/CFR Part/ Section	Description	Status
(b)(5);(b)(8)		We anticipate presenting proposed rules in 2017.
		We anticipate presenting a final rule in 2017.
		We anticipate presenting proposed rules in 2017.

Freedom of Information Act (FOIA) - Part 792	Final rule revising NCUA's FOIA regulation to implement provisions of the FOIA Improvement Act of 2016.	We anticipate presenting a final rule in 2017.
(b)(5);(b)(8)		We anticipate presenting the proposal in 2017.
		We anticipate presenting a final rule in 2017.
		We anticipate presenting a final rule in 2017.

- **Administrative Appeals.**

A. Freedom of Information Act (FOIA) Appeals

1. Appeal by Michael Ravnitzky. This individual filed a request under FOIA seeking a copy of the stress test report and related documentation prepared by BlackRock Solutions on behalf of ONES and relating to the five largest natural person credit unions. His request was rejected in its entirety by NCUA's FOIA Officer, and Mr. Ravnitzky appealed. We anticipate denying the appeal in full, based on (b)(5)

(b)(5)

(b)(5)

B. Insurance, Creditor, Troubled Credit Union, MBL, Conservatorship Claim Appeals, and Requests under 12 U.S.C. 1785(d)

1. (b)(5);(b)(6);(b)(8)

2. (b)(5);(b)(8)

**Back to top**

**OPEN BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

- (b)(5)
- 
- 

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Following is the most current Schedule of Activity and Regional Management Reports.

  
Executive Director Mark Treichel

**Back to top**

<b><u>SCHEDULE OF ACTIVITY FOR BOARD MEMBERS</u></b>
--

<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>
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**ACTING CHAIRMAN McWATTERS**

March 29	Keys FCU Key West, FL	Speaker
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**BOARD MEMBER METSGER**

March 1-4	Region V Visit Tempe, AZ	Speaker
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April 5-9	Hawaii Credit Union League's 79 <sup>th</sup> Annual Convention Kauai, HI	Speaker
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April 10-13	2017 NACUSO Network Conference Lake Buena Vista, FL	Speaker
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April 26-28	NAFCU CEOs & Senior Executives Conference Miami Beach, FL	Speaker
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**Back to top**

**SENIOR OFFICE DIRECTORS**  
**SCHEDULE OF ACTIVITY**

DATE(s)	EVENT/LOCATION	PURPOSE
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**MONICA DAVY**

None

**ED DORRIS**

None

**LARRY FAZIO**

None

**SCOTT HUNT**

March 28

SECU JC

(b)(5);(b)(6)

(b)(5);(b)(6)

**RENDELL JONES**

None

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(6)

(b)(5);(b)(6)

**MIKE MCKENNA**

None

(b)(5);(b)(6)

(b)(5);(b)(6)

<b><u>SENIOR OFFICE DIRECTORS</u></b> <b><u>SCHEDULE OF ACTIVITY</u></b>		
<b>DATE(s)</b>	<b>EVENT/LOCATION</b>	<b>PURPOSE</b>

**MARTHA NINICHUK**

None

**RALPH MONACO**

None

**MARK TREICHEL**

None

**[Back to top](#)**

## REGIONAL DIRECTOR / REGION I MANAGEMENT REPORT

Date: March 2, 2017

*Based on current staffing and remaining hours, Region I plans to complete program without assistance from other Regions. Issues in the taxi credit unions may ultimately result in the need for assistance; however, none is being requested at this time.*

**Supervision –Current significant cases: (In order of potential risk to NCUSIF):**

(b)(5);(b)(8)

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS:**

- (b)(5);(b)(8)

-



**Travel Schedule:**

March 7-8, 29-30, April 26-27, June 6-7, 2017 - Various days on-site- (b)(5);(b)(8) Credit Union  
March 15, 2017 - Region 1 SSA Meeting in Albany, NY

(b)(5);(b)(6)

**Larry Blankenberger  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION II  
MANAGEMENT REPORT**

Date: February 28, 2017

**Supervision** (Current and New Significant Cases)

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None

**TRAVEL SCHEDULE**

3-6	Group D,J,L critical cases	Philadelphia, PA
3-7	Multi-group meeting	Philadelphia, PA
3-8	Multi-group meeting	Fredericksburg, VA
3-10	Group A and E critical cases	Fredericksburg, VA

**Jane A. Walters  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION III  
MANAGEMENT REPORT – FEBRUARY 2017**

**PROGRAM**

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

(b)(5);(b)(8)

**OTHER ITEMS**

(b)(5);(b)(8)

**TRAVEL and LEAVE SCHEDULE**

3/3	Alternate Exam Working Group Meeting	Alexandria, VA
3/6-9	Multi SE Group Meeting (SEs: A, B, R & S)	Orlando, FL
(b)(5);(b)(6)		
3/20-23	Multi SE Group Meeting (SEs: I, J, M & N)	New Orleans, LA
3/28-30	Multi SE Group Meeting (SEs: C, D, E & F)	Atlanta, GA
(b)(5);(b)(6)		
4/11-13	Multi SE Group Meeting (SEs: G, K & L)	Louisville, KY

**Myra M. Toeppe  
Regional Director**

**Back to top**

**CONFIDENTIAL**

**REGIONAL DIRECTOR / REGION IV  
MANAGEMENT REPORT**

Date: March 3, 2017

(b)(5);(b)(6);(b)(2)

**State MBL Rules** –

(b)(5)

(b)(5)

**FLEX** - Phase 2 FLEX pilot program exams are beginning in March.

(b)(5);(b)(8)

(b)(5);(b)(8)

Travel Schedule for RD		
March 9	Multi-Group Meeting	Chicago, IL
(b)(5);(b)(6)		
March 23	Multi-Group Meeting	San Antonio, TX
March 30	Multi-Group Meeting.	Denver, CO

**Keith Morton**  
**Regional Director**

**[Back to top](#)**



# REGIONAL DIRECTOR/REGION V-TEMPE MANAGEMENT REPORT

March 6, 2017

## **Program**

Based on current staffing and remaining hours, Region 5 plans to complete program without assistance from other Regions.

## **Supervision - Current and New Significant Cases**

(b)(5);(b)(8)

(b)(5);(b)(8)

**BOARD ACTION ITEMS WITHIN NEXT 90 DAYS**

None planned.

**TRAVEL/LEAVE SCHEDULE**

03/01	03 03	Central Office for Meetings
03/06	03 10	MGM Portland, OR
03 13		Region 5 League CEO Meeting, Tempe, AZ
03 20	03 24	MGM Burbank, CA
03 27	03 31	MGM Concord, CA

**Cherie L. Freed  
Regional Director**

**Back to top**

# ASSET MANAGEMENT AND ASSISTANCE CENTER MANAGEMENT REPORT

March 6, 2017

## **STAFFING**

Federal	32
Non-Federal	23
Temporary	9
	64

## **ASSETS IN LIQUIDATION**

(b)(8)	2/28/2017			12/31/2016		
	#	Gross	Net	#	Gross	Net
Consumer Loans	(b)(4);(b)(5);(b)(8)					
Real Estate Loans						
Commercial Loans						
Judgments/Settlement						
Participations						
<b>Subtotal Loans</b>						
Restitution						
REO						
Other Assets						
<b>Totals</b>						

**NEW LIQUIDATION CASES** - None

## **ONGOING MAJOR LIQUIDATIONS**

(b)(5);(b)(8)
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(b)(5);(b)(8)
---------------

**Corporate Credit Unions**

NCUA Guarantee Note Issuance (ties to BNY/Wells Fargo Investor Reports)							
In Thousands of Dollars							
February 28, 2017							
Deal	Original Balance	Total P&I (Month-to-Date)	Total P&I (Year-to-Date)	Principal (Life-to-Date)	Interest (Life-to-Date)	Total P&I (Life-to-Date)	2/28/2017 Ending Balance
NGN 2010-A1	1,160,863	2,297	17,784	907,412	22,515	929,927	253,451
NGN 2010-C1	3,760,000		-	3,760,000	456,308	4,216,308	-
NGN 2010-R1	3,846,500	24,442	66,849	2,874,550	106,442	2,984,247	971,950
NGN 2010-R2	5,482,000	35,717	86,701	3,600,754	147,529	3,748,283	1,881,246
NGN 2010-R3	3,518,200	25,099	51,359	1,835,598	147,844	1,983,442	1,682,602
NGN 2011-C1	840,000	5,752	16,794	619,352	20,968	640,320	220,648
NGN 2011-M1	2,210,000	-	-	1,155,000	196,804	1,351,804	1,055,000
NGN 2011-R1	1,511,000	12,257	26,792	937,643	43,128	980,772	573,357
NGN 2011-R2	1,253,000	13,021	23,850	749,033	33,400	782,433	503,967
NGN 2011-R3	1,096,000	8,103	15,807	754,838	25,893	780,731	341,162
NGN 2011-R4	1,525,000	16,220	32,443	1,420,146	24,835	1,444,981	104,854
NGN 2011-R5	1,165,000			1,165,000	15,628	1,180,628	-
NGN 2011-R6	965,000			965,000	10,076	975,076	-
<b>Total:</b>	<b>28,332,563</b>	<b>142,908</b>	<b>338,379</b>	<b>20,744,326</b>	<b>1,251,370</b>	<b>21,998,952</b>	<b>7,588,237</b>

## BOND CLAIMS FILED

Credit Union Name	Bond Limit	Original Filed Amt
(b)(5);(b)(8)		

CLAIM RECOVERY RECEIVED - None

BOARD ACTION ITEMS WITHIN NEXT 90 DAYS – None

## AMAC Initiatives

- **Loan Sale**

- (b)(5);(b)(8)
- Completed reviews of the 5,800 loan files held by the AMEs.
- Selected loan sale advisors to conduct RE and consumer loan sales
- (b)(5);(b)(8)

- **Efficiency Study**

- (b)(5)

- **Internal Controls**

- (b)(5)

**Keith Morton**  
Acting AMAC President

[Back to top](#)

**OFFICE OF NATIONAL EXAMINATIONS AND SUPERVISION**  
**(ONES) MANAGEMENT REPORT**

March 2, 2017

**STAFFING**

(b)(2);(b)(5);(b)(6)

**PROGRAM**

**SIGNIFICANT PROGRAM ISSUES**

**Corporate Credit Unions**

(b)(5);(b)(8)

**Consumer Credit Unions**

(b)(5);(b)(8)

## **Other Issues**

- As we did in 2015, we developed a document for lessons learned and best practices for the 2016 capital planning cycle. The document was shared with the Board and our covered credit unions.

- (b)(5)

- (b)(5)

(b)(5) The conversion of the NCUA 5310 Corporate Credit Union Call Report process to the existing CU Online system for natural person credit union call reports is complete. Corporate credit unions started using the system with the January call reports that were due in February. There were some minor issues but overall the transition has been a success.

### **PROPOSED BOARD ACTIONS WITHIN THE NEXT 90 DAYS**

#### *March*

- None

#### *April*

- None

#### *May*

- None

**Scott Hunt  
ONES Director**

**[Back to top](#)**