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Description of document: Most recent National Credit Union Administration (NCUA) Board Action Memoranda associated with NCUA board meetings, 2010

Requested date: 13-December-2010

Released date: 12-January-2011

Posted date: 14-February-2010

Date/date range of document: 22-March-2010 – 20-December-2010

Source of document: NCUA  
Office of General Counsel  
1775 Duke Street,  
Alexandria, VA 22314-3428  
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Note: A substantial number of released pages consisting of proposed federal regulations are not included here

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## National Credit Union Administration

January 12, 2011

This letter responds to your Freedom of Information Act (FOIA) request received by this office on December 13, 2010. You requested a copy of the ten most recent Board Action Memoranda associated with NCUA board meetings, along with a copy of any listing or index of Board Action Memoranda, if such exists.

Your request is granted in part. Enclosed are 200 pages, some of which are partially redacted. The withheld information qualifies for protection under 5 U.S.C. § 552(b)(2), (4), (6) and (8) of the FOIA. Subsection (b)(2) protects records that are related solely to the internal personnel rules and practices of an agency, which includes information on substantial internal matters, the disclosure of which would risk circumvention of a legal requirement. Subsection (b)(4) protects from disclosure trade secrets and commercial or financial information obtained from a person, which is considered privileged or confidential. Subsection (b)(6) permits agencies to withhold information the disclosure of which would constitute an unwarranted invasion of personal privacy. 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.

If you are not satisfied with our response to your request, you may file an administrative appeal. An appeal must be in writing and filed within 30 days from receipt of this initial determination. If you file an appeal, please note "FOIA-APPEAL" in the letter and on the envelope and address your appeal to: National Credit Union Administration, Office of General Counsel - FOIA APPEAL, 1775 Duke Street, Alexandria, VA 22314-3428.

Also enclosed is an invoice for processing your request. Please forward your payment to this office within 30 days along with a copy of the invoice.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda K. Dent", is positioned above the typed name.

Linda K. Dent  
Staff Attorney

Enclosures

GC/CS:bhs  
11-FOI-00044

## **BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** December 3, 2010

**FROM:** Office of General Counsel

**SUBJ:** Proposed Rule -  
Part 740

**ACTION REQUESTED:** Board approval of proposed rule to amend certain provisions of NCUA's advertising rule. 12 C.F.R. Part 740.

**DATE ACTION REQUESTED:** December 16, 2010.

**OTHER OFFICES CONSULTED:** All Regional Offices and E&I.

**VIEWS OF OFFICES CONSULTED:** Concur.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** No.

**RESPONSIBLE STAFF MEMBER:** Frank Kressman, Senior Staff Attorney,  
Office of General Counsel.

**SUMMARY:** Staff recommends the Board issue the attached proposed rule to revise certain provisions of NCUA's official advertising statement rule. Specifically, insured credit unions will be required to include the statement in all radio and television advertisements, annual reports, and statements of condition required to be published by law. The proposal also defines the term "advertisement" and clarifies size requirements for the official advertising statement in print materials.

**RECOMMENDED ACTION:** Recommend the Board issue the proposed rule.

**ATTACHMENT:** Proposed rule.

## **BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** December 3, 2010

**FROM:** Office of General Counsel

**SUBJ:** Proposed Rule -  
Part 745

**ACTION REQUESTED:** Board approval of proposed rule to fully insure, on a temporary basis, the net amount that any member or depositor at an insured credit union maintains in a noninterest-bearing transaction account. 12 C.F.R. Part 745.

**DATE ACTION REQUESTED:** December 16, 2010.

**OTHER OFFICES CONSULTED:** All Regional Offices and E&I.

**VIEWS OF OFFICES CONSULTED:** Concur.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** No.

**RESPONSIBLE STAFF MEMBER:** Frank Kressman, Senior Staff Attorney,  
Office of General Counsel.

**SUMMARY:** Staff recommends the Board issue the attached proposed rule which provides that, on a temporary basis, NCUA shall fully insure the net amount that any member or depositor at an insured credit union maintains in a noninterest-bearing transaction account. Although this insurance coverage is self-implementing, and therefore already in place as a result of Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, this proposed rule: (1) clarifies the definition of the term "noninterest-bearing transaction account;" (2) provides that this new insurance coverage is separate from, and in addition to, other coverage provided in NCUA's share insurance rules; and (3) imposes certain notice and disclosure requirements.

**RECOMMENDED ACTION:** Recommend the Board issue the proposed rule.

**ATTACHMENT:** Proposed rule.



## BOARD ACTION MEMORANDUM

**TO:** NCUA Board **DATE:** December 1, 2010

**FROM:** J. Owen Cole, Jr.  
Central Liquidity  
Facility, President **SUBJ:** Central Liquidity  
Facility Change in  
Overhead Reimbursement  
Methodology

**ACTION REQUESTED:** CLF requests the NCUA Board approve an alternative methodology for reimbursing the Operating Fund for its overhead expenses.

**DATE ACTION REQUESTED:** December 16, 2010.

**BUDGET IMPACT, IF ANY:** The revised methodology will result in a decrease of approximately \$16,000 over the current annual expected reimbursement.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**OTHER OFFICES CONSULTED:** Office of the Chief Financial Officer, Office of General Counsel.

**RESPONSIBLE STAFF PERSON:** Central Liquidity Facility President J. Owen Cole; and Central Liquidity Facility Chief Financial Officer Vicki O'Hara.

**SUMMARY:** Section 307(a)(3) of the FCU Act empowers the Board to determine the amount of expenses incurred by NCUA which will be assessed to the CLF. CLF reimburses the Operating Fund quarterly for direct expenses which are salaries and benefits of CLF staff and CLF's portion of space rental; and reimburses annually for indirect expenses (Board and Central Office staff, supplies, postage, printing, telephone). Expenses are allocated by applying the ratio of CLF full-time equivalent (FTE) employees to the NCUA total. Congress has set a maximum for CLF's budget at \$1,250,000.

At its April 2009 meeting, the Board approved increases to both CLF and the Office of Capital Markets and Planning (now the Office of Capital Markets) staffing. The amount of FTEs allocated to CLF increased from 1.5 to 3.5 as shown below. In July 2010, the Board increased the primary loan officer's percentage allocation from 75 percent to 80 percent. To maintain the total FTEs allocated to CLF at 3.5, the technician position percentage allocation is reduced to 45 percent.

TOTAL FTEs	Pres	VP	CFO	Loan Officer	Loan Officer	Loan Officer	Loan Officer	Loan Officer	Tech
3.5	0.05	0.20	1.00	0.80	0.25	0.25	0.25	0.25	0.45
1.5	0.05	0.20	1.00	0.25					

We propose an alternative method that allocates indirect expense reimbursement for the salaries of the NCUA Board, other specified Central Office staff, and administrative expenses (supplies, printing, postage and telephone) using a factor based on the ratio of actual CLF FTEs to total agency FTEs. The current methodology uses two different ratios based on FTEs to allocate agency overhead expenses to CLF. The proposed methodology would use only one factor in order to simplify the allocation process. CLF currently reimburses the Operating Fund for a proportional share of salaries of each office in the Central Office.

We reassessed the marginal contribution each office made to the CLF and determined the offices that have a direct and supportive relationship to CLF's activities. Therefore, we propose reimbursement for seven of the fourteen Central Offices. Those offices are: the Board, OED, OCFO, OCIO, OGC, PACA and OHR.

The allocation of supplies, telephone, postage and other supportive expenses will be allocated based on actual CLF FTEs. Adjustments may be required to remove certain office specific expenses that do not provide a direct or indirect benefit to CLF.

We proposed this change be made retroactive to January 1, 2010.

CLF will continue to reimburse the Operating Fund for a proportional share of the *actual* salaries and benefits of assigned CLF staff (up to the 3.5 FTEs as specified in the above chart) and the proportional space rental for the offices of the President, Vice President, Chief Financial Officer, and the primary Loan Officer plus file room space.

**RECOMMENDED ACTION:** Staff recommends that the Board approve retroactively to January 1, 2010, the allocation of CLF expenses for reimbursement to the Operating Fund as follows.

CLF will reimburse the Operating Fund:

1. Quarterly for the proportional share of actual salaries and benefits of staff assigned to CLF;
2. Quarterly for the proportional share of the office space for the CLF President, Vice President, Chief Financial Officer, and primary Loan Officer; and
3. Annually for other indirect expenses based on the methodology outlined in this Board Action Memorandum.

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board **DATE:** November 30, 2010  
**FROM:** Office of General Counsel **SUBJ:** Tri-State FCU Appeal of Region II decision to deny its application to add an association to its FOM.

**ACTION REQUESTED:** Board determination of an appeal by Tri-State Federal Credit Union (FCU) in which the FCU is asking the Board to reverse the Region II Director's denial of its application to add the YMCA of East Liverpool, Ohio to its field of membership (FOM).

**DATE ACTION REQUESTED:** December 16, 2010.

**OTHER OFFICES CONSULTED:** None.

**BUDGET IMPACT, IF ANY:** None.

**RESPONSIBLE STAFF MEMBER:** Sheila A. Albin, Staff Attorney, Office of General Counsel.

**SUMMARY:** The FCU is a multiple group credit union located in Midland, PA, which has an office and serves various employee groups in East Liverpool, Ohio. It applied to add the members of the YMCA for East Liverpool in January 2010, and Region II denied the request in February 2010 on the basis that the proposed group does not meet the common bond requirements for an associational group under the provisions of NCUA's Chartering and Field of Membership Manual. The Region subsequently denied a request for reconsideration in May 2010. In its initial denial and its denial upon reconsideration, the Region relied particularly on its finding that the proposed group is an association based primarily on a customer-client relationship.

**RECOMMENDED ACTION:** Board determines the requirements for common bond of association have not been met and recommend that the Region II denial be upheld and the appeal be denied and delegate to the Office of General Counsel preparation of a final decision and order for signature by the Secretary of the Board.

## **BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** November 29, 2010

**FROM:** Robert M. Fenner  
Office of General Counsel

**SUBJ:** Final Rule,  
12 C.F.R. Parts 701, 708a, 708b

**ACTION REQUESTED:** Board approval to issue final amendments to 12 C.F.R. Parts 701, 708a and 708b. The final amendments: (1) create new §701.4 to address fiduciary duties of FCU directors; (2) create new subpart C of part 708a to address credit union to bank mergers; and (3) revise existing rules on charter and insurance conversions in parts 708a and 708b.

**DATE ACTION REQUESTED:** December 16, 2010.

**OTHER OFFICES CONSULTED:** All Regional Directors, Office of Examination and Insurance, Office of Capital Markets, Office of Corporate Credit Unions, Office of Small Credit Union Initiatives, Office of Consumer Protection.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** None.

**RESPONSIBLE STAFF PERSONS:** Paul Peterson, Associate General Counsel, and Jacqueline Lussier and Elizabeth Wirick, Staff Attorneys, Office of General Counsel.

**SUMMARY:** Staff is proposing a number of changes designed to better protect credit union member rights and ownership interests. First, the new fiduciary duty rule in §701.4 requires FCU directors to carry out their duties in good faith, and have, or gain, an understanding of basic finance and accounting practices. Also, §701.4 prohibits FCUs from indemnifying officials or employees for liability associated with misconduct that is grossly negligent, reckless, or willful in connection with a decision that affects the fundamental rights of members. Next, new subpart C of Part 708a establishes procedural and substantive requirements for converting a credit union to a bank through a merger. The new requirements would apply to direct mergers as well as transactions where the credit union first converts to a mutual savings bank (MSB) and then merges with another bank without ever operating as a stand-alone MSB. Finally, the proposed amendments to Parts 708a and 708b revise existing rules to enhance the secrecy and integrity of the voting process in MSB and insurance conversions and require additional disclosures to members about the costs and effects of charter conversion.

**RECOMMENDED ACTION:** Board adopt the final rule.

**ATTACHMENTS:** Final Rule.



## **BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** November 24, 2010

**FROM:** Office of General Counsel

**SUBJ:** Final Rule – Section 701.34

**ACTION REQUESTED:** NCUA Board's approval of final rule to clarify the low-income rule by amending the definition of "low-income members." 12 C.F.R. §701.34.

**DATE ACTION REQUESTED:** December 16, 2010.

**OTHER OFFICES CONSULTED:** Regional Offices, Office of Examination and Insurance and Office of Small Credit Union Initiatives.

**VIEWS OF OFFICES CONSULTED:** Concur.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** None.

**RESPONSIBLE STAFF MEMBER:** Sheila A. Albin, Staff Attorney, Office of General Counsel.

**SUMMARY:** The NCUA is amending the definition of "low-income members" to clarify that, in comparing credit union data on member income with Census Bureau data to determine if a credit union qualifies as low-income, the comparison must be between like data categories. This amendment will clarify the regulatory text so it is consistent with the geo-coding software NCUA uses in making its determination.

**RECOMMENDED ACTION:** Recommend the Board issue the final rule.

**ATTACHMENT:** Final rule.

## **BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** November 23, 2010

**FROM:** Office of General Counsel

**SUBJ:** Proposed Sample Income Data Rule – Low-Income Designation Under Section 701.34

**ACTION REQUESTED:** NCUA Board approval of a proposed rule amending §701.34, the low-income rule, with regard to the use of sample income data to qualify credit unions for a low-income designation.

**DATE ACTION REQUESTED:** December 16, 2010.

**OTHER OFFICES CONSULTED:** Regional Offices, Office of Examination and Insurance, Office of Small Credit Union Initiatives, Office of Consumer Protection.

**VIEWS OF OFFICES CONSULTED:** Concur.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**BUDGET IMPACT, IF ANY:** None.

**RESPONSIBLE STAFF MEMBERS:** Regina Metz, Staff Attorney, Office of General Counsel; John Worth, Chief Economist, Office of the Chief Economist; and Robert C. Leonard, Director, Division of Consumer Access, Office of Consumer Protection.

**SUMMARY:** The proposed amendment would permit credit unions that do not qualify for a low-income designation using the NCUA geo-coding software to submit an analysis of a statistically valid sample of their member income data as evidence they qualify. The reason for the proposal is the current rule, as an alternative to NCUA's geo-coding software, requires member data drawn from loan applications or member surveys to show a majority of the members are low-income as defined in the low-income rule. Permitting credit unions to use a statistically valid sample of member incomes drawn from loan files or surveys, rather than collect income data from a majority of their members, would ease the burden on credit unions attempting to qualify for a low-income designation.

**RECOMMENDED ACTION:** Recommend the Board issue the proposed rule.

**ATTACHMENT:** Proposed rule.



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National Credit Union Administration

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**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** November 18, 2010

**FROM:** Chief Financial Officer

**SUBJ:** 2011 Operating Fee

**ACTION REQUESTED:** Board approval of the operating fee structure and the assessment scale for 2011.

**DATE ACTION REQUESTED:** November 18, 2010

**OTHER OFFICES CONSULTED:** Office of the Executive Director, Office of Examination & Insurance, Office of Corporate Credit Unions

**VIEWS OF OTHER OFFICES CONSULTED:** Concur

**BUDGET IMPACT:** The ability of NCUA to carry out its planned budget is dependent upon an adequate level of operating revenue.

**RESPONSIBLE STAFF MEMBER:** Chief Financial Officer Mary Ann Woodson

**BACKGROUND:** Section 105 of the Federal Credit Union Act provides the NCUA Board with the authority to assess an operating fee on federal credit unions to finance expenses incurred in carrying out its responsibilities under the Act. On an annual basis the Board is to determine the period for the fee, the method of assessment, and the date of payment. The Board must give consideration to its budget and to the ability of federal credit unions to pay when determining the fee.

**SUMMARY:** The operating fee will be assessed to federal credit unions based on December 31, 2010, year-end assets. As approved by the Board on June 18, 2009, assets on the books of natural person federal credit unions created by investments made under the Credit Union System Investment Program and Credit Union Homeowners Affordability Relief Program will be excluded from determining the assessment. To set the assessment scale for 2010, federal credit union asset growth is projected to December 31, 2010. The June 30, 2010, 5300 data indicated that federal credit union assets increased 2.4 percent over December 31, 2009, reported assets. Based upon recent 5300 data, the growth for the year is expected to be 3.4 percent at year-end. The asset level dividing points will be increased by this same average annualized growth rate, except for the first and second asset level tiers which pay no fee or a flat fee of \$100, respectively. Assets are indexed annually to preserve the same relative relationship of the scale to the asset base to which it is applied.

In establishing the rate to be applied to each asset level, a number of factors are considered. These factors are shown in attachment 1, resulting in an operating fee rate decrease of 2.86 percent for natural person federal credit unions.

The corporate federal credit union rate scale remains unchanged. However, a portion of the cost of the Office of Corporate Credit Unions (OCCU), or \$3.00 million, is transferred to the National Credit Union Share Insurance Fund. This represents the cost of OCCU which is not covered by the overhead transfer rate and the corporate federal operating fees as shown below:

Cost of the Office of Corporate Credit Unions.....	\$8.28 million
Less: Overhead transfer rate 58.90%.....	\$4.88 million
Less: Corporate federal credit union operating fees.....	<u>\$0.40 million</u>
Amount transferred to National Credit Union Share Insurance Fund.....	\$3.00 million

The cash policy for the NCUA Operating Fund is to maintain sufficient cash to operate until the next Operating Fee assessment cycle plus one-month reserve and any contingencies. Any excess cash is to be returned to federal credit unions. Cash is projected to be \$11.33 million at March 31, 2012, which is just before the next Operating Fee assessment cycle. This amount is reduced by one-month of expenses of \$7.98 million. In addition, this amount is further reduced by \$1.00 million for unforeseen contingencies not contained in the operating expense budget. This results in excess cash of \$2.35 million that should be returned to Federal credit unions. Accordingly, the Operating Fee requirement has been reduced by \$2.35 million, as shown in line 7 of attachment 1. Attachment 2 shows the proposed new scale.

**RECOMMENDED ACTION:** It is recommended that the NCUA Board approve the following items related to the operating fee to be implemented for the 2011 assessment cycle:

1. Increase the asset level dividing points for the natural person federal credit union operating fee scale by 3.40 percent, which is equal to the estimated asset growth.
2. Decrease the natural person federal credit union operating fee rates by 2.86 percent, which is equal to the rate adjustment indicated on attachment 1.
3. Require the Operating Fund to maintain sufficient cash reserves equal to one month of expenses plus any contingencies.
4. Collect operating fees by Friday, April 15, 2011.

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Chief Financial Officer

Attachments

# PROJECTED FISCAL YEAR 2011 OPERATING FEE REQUIREMENTS

(amounts in millions)

1	Operating Budget		\$ 225.40
2	Overhead Transfer Rate	58.90%	(132.76)
3	Corporate Credit Union Costs Transferred to NCUSIF		(3.00)
4	Interest Income		(0.05)
5	Miscellaneous Income (publication fees, FOIA fees)		(0.54)
6	Net		\$ 89.04
7	Operating Fund Cash Balance Adjustment (estimated)		(2.35)
8	Accrued Annual Leave (based on historical annual increase)		(0.50)
9	Depreciation (building, leasehold, equipment)		(4.07)
10	Capital Acquisitions		2.54
11	Payment of King Street Note Payable (scheduled principal payments)		1.42
12	Budgeted Operating Fee Requirements		\$ 86.08
13	Corporate Operating Fees		(0.40)
14	Natural Person FCU Operating Fees Required		\$ 85.68
15	Fees projected with Asset Growth of	3.40%	(88.20)
16	Difference		\$ (2.52)
17	Rate Adjustment Indicated (line 16 divided by line 15)		-2.86%

## PROPOSED OPERATING FEE SCALE

Billing Cycle: 4/15/2011

### FY2010 Natural Person Federal Credit Union Scale

<u>Asset Level</u>		<u>Operating Fee Assessment</u>	
\$0	\$500,000	\$0.00	+ 0.00000000 X total assets over \$0.00
\$500,000	\$750,000	\$100.00	+ 0.00000000 X total assets over \$0.00
\$750,000	\$967,364,181	\$0.00	+ 0.00023431 X total assets over \$0.00
\$967,364,181	\$2,927,229,479	\$226,663.10	+ 0.00006829 X total assets over \$967,364,181.00
\$2,927,229,479	and over	\$360,502.30	+ 0.00002280 X total assets over \$2,927,229,479.00

### FY2011 (Proposed) Natural Person Federal Credit Union Scale

Projected FCU asset growth rate	3.40%	Change in asset level dividing points
Operating fee rate change	-2.86%	Change in assessment rate percentages

<u>Asset Level</u>		<u>Operating Fee Assessment</u>	
\$0	\$500,000	\$0.00	+ 0.00000000 X total assets over \$0.00
\$500,000	\$750,000	\$100.00	+ 0.00000000 X total assets over \$0.00
\$750,000	\$1,000,254,563	\$0.00	+ 0.00022761 X total assets over \$0.00
\$1,000,254,563	\$3,026,755,281	\$227,667.94	+ 0.00006634 X total assets over \$1,000,254,563.00
\$3,026,755,281	and over	\$362,106.00	+ 0.00002215 X total assets over \$3,026,755,281.00

### FY2011 (Proposed) Corporate Federal Credit Union Scale

\$1,138.05	plus	0.00022340 of assets over	\$5,000,000
\$4,489.05	plus	0.00021110 of assets over	\$20,000,000
\$10,822.05	plus	0.00019870 of assets over	\$50,000,000
\$20,757.05	plus	0.00001230 of assets over	\$100,000,000

Note: The natural person federal credit union scale is used for assets under \$5,000,000.



## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** November 18, 2010

**FROM:** Chief Financial Officer

**SUBJ:** FY 2011 Budget

**ACTION REQUESTED:** Board approval of the fiscal year 2011 operating and capital budgets.

**DATE ACTION REQUESTED:** November 18, 2010

**OTHER OFFICES CONSULTED:** All Regional and Central Office Directors

**VIEWS OF OTHER OFFICES CONSULTED:** All concur

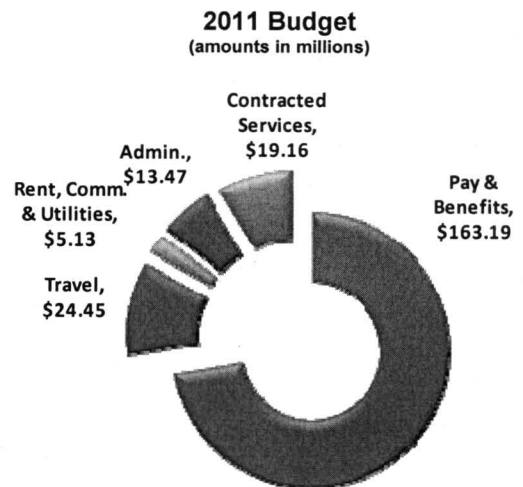
**BACKGROUND:** The budget was prepared from requests submitted by all offices within NCUA. All submissions underwent thorough reviews by responsible regional and central office directors, the Office of the Chief Financial Officer, and executive management. The budget presented below has been discussed and agreed upon by the responsible regional and central office directors.

**BUDGET IMPACT:** Presented below

**RESPONSIBLE STAFF MEMBERS:** Executive Director David M. Marquis and Chief Financial Officer Mary Ann Woodson

**SUMMARY:** The 2011 budget of **\$225,403,988** represents an increase of \$24,480,476 or **12 percent** over the 2010 budget of \$200,923,512. The total authorized staff requested for 2011 is **1,209**, which includes an increase of 78 positions from the prior year. See attachment 1 for a listing of the budget and positions by office.

For 2011, the budget increases to accommodate normal inflationary adjustments as well as to ensure successful execution of the agency's safety and soundness mission. Zero based budgeting techniques are used, which is the process of preparing a budget that starts with no authorized funds, and each activity to be funded must be justified each budget cycle. The most significant increase relates to the Annual Examination Program, which was started in 2010. This program adds 60 field positions to the regions. See item 11 below for additional information.



## **Budget**

The budgetary components of the 2011 budget are:

<u>Category</u>	2010 Budget	2011 Budget	\$ Change	Percent of Total Budget
Employee Pay and Benefits	\$ 146,089,302	\$ 163,189,623	\$ 17,100,321	72%
Travel	23,177,347	24,451,215	1,273,868	11%
Rent, Communications & Utilities	4,696,476	5,128,023	431,547	2%
Administrative	11,706,332	13,472,386	1,766,054	6%
Contracted Services	15,254,055	19,162,741	3,908,686	9%
Total	\$ 200,923,512	\$ 225,403,988	\$ 24,480,476	100%

**MAJOR BUDGETARY CHANGES:** The changes in the budget are categorized as either baseline changes or program changes. Baseline changes are those adjustments needed to maintain current services. Program changes represent new initiatives proposed in the budget.

### **Baseline Changes**

Of the \$24,480,000 budget increase, \$14,319,000 or 59 percent of the increase is requested to maintain current services. This net increase is broken down into the following components:

- 1) Merit and locality adjustments provide an **increase of \$7,083,000** in both pay and benefits. As specified in the collective bargaining agreement dated January 11, 2008, the average merit pay increase is five (5) percent, and the locality adjustment, which includes the increases and decreases across all localities, can range from a negative (-) to a positive (+) three (3) percent. Changes in locality rates are dictated by the President's Pay Agent. The budget assumes a net growth of 5.7 percent for the combined effect of the merit pay and locality adjustments. These adjustments are effective March 13, 2011.
- 2) Annualization of partial full-time equivalents (FTE) added in 2010 results in an **increase of \$3,506,000**. The 2011 budget includes all positions that were added in 2010 at full performance, meaning positions that were partially funded for 2010 are fully funded for 2011. This practice is common in budgeting in order to more accurately reflect costs due to time lags in filling new positions.
- 3) Anticipated career ladder promotions of staff result in an **increase of \$585,000**. Certain entry level positions allow for promotions to higher levels based upon performance and increased responsibilities.
- 4) Retirement and health benefits account for an **increase of \$3,070,000**. Employee benefits account for 23 percent of total staff compensation.



- 5) Staff turn-over, which includes retirees that are replaced by lower paid employees, provided a **decrease of \$2,895,000** in pay and benefits. In 2010, staff turn-over reduced the average cost per employee by \$3,200.
- 6) Travel expenses, in support of the safety and soundness program, **increased by \$1,215,000** or 6 percent for a total budget of \$24,451,000. While inflationary pressures remained flat, increased examiner staffing has increased travel related expenses.
- 7) The Office of Examination and Insurance (E&I) requests **\$750,000** to continue an operational review of the agency-wide examination and supervision program. The purpose of the operational review is to assess the strength of current processes and to refine the processes, as necessary.
- 8) The Office of Inspector General (OIG) requests:
  - a. an **increase of \$650,000** to engage outside professionals to conduct Material Loss Reviews, for a total budget of \$1,250,000. Under the Federal Credit Union Act (12 U.S.C. 1790d(j)), OIG is required to conduct Material Loss Reviews on failed credit unions if the loss to the NCUSIF exceeds \$25 million, among other requirements. The budget request is based upon bids received by OIG and deploying both OIG staff and outside resources to address workload; and
  - b. an **increase of \$287,000** for a total budget of \$1,000,000 to conduct the agency's independent financial statement audits. The increase is primarily due to increased audit efforts to address technical reporting issues such as the Corporate Resolution Plan.
- 9) The Office of Public and Congressional Affairs requests an increase of **\$300,000** for a total budget of \$500,000 for continuing consumer education campaigns.
- 10) The remaining **decrease of \$232,000** is the result of other smaller increases and decreases, including increases in inter-agency assessments (e.g., FFIEC, HMDA) and public utilities and decreases in interest expense and postage.

### **Proposed Program Changes**

Of the \$24,480,000 budget increase, \$10,161,000 or 41 percent of the increase is the result of proposed program changes. This net increase is broken down into the following components:

#### **Program Initiatives and Staffing:**

- 11) The budget proposes **\$3,461,000** in pay, benefits, travel, training, and other related expenses for the continuing implementation of the Annual Examination Program. The Annual Examination Program incorporates more frequent onsite contact of all federal credit unions, with emphasis on problem credit unions, and enhanced offsite monitoring of credit unions. The increased flexibility comes from allowing the regions to decide on the timing of onsite contact, which can be any time during the year. Accordingly, the scheduling of examinations can be moved forward for credit unions that appear to be negatively trending or have a high risk profile. Increased examiner resources are required for examination of every Federal credit union every year. The program adds 60 field positions to the regions: 53 examiners, six (6) supervisory examiners, and one (1) lending specialist.

In 2010, this program realigned examiner resources in order to more effectively match the experience of staff with the examination risk within credit unions. The examination and supervision of California credit unions was temporarily transferred from Region V (Tempe) to Region II (Capital), which has more experienced staff to augment the current California staff, to address the credit unions in this economically stressed state.

- 12) The Office of the Chief Financial Officer requests **\$1,682,000** for staffing and external accounting professionals. The office requests six (6) accounting positions to meet long-term requirements which include strengthening financial reporting and internal control. The increasing accountability requirements in financial reporting, coupled with the complexity of transactions associated credit union resolutions, has necessitated additional staff that are proficient with these requirements. While staffing resources are being recruited and deployed, external accounting professionals will be used to meet workload requirements.
- 13) The Office of Minority and Women Inclusion will be established, as required under The Dodd–Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203). Funding to stand up the office totals **\$1,051,000** and includes staffing of six (6). The new office will be responsible for diversity and civil rights and will promote hiring of minorities and women and contracting of minority-owned and women-owned businesses.
- 14) The Office of the Chief Economist requests resources of **\$452,000** for two (2) economists, specialized analysis software, and subscriptions. This request supports executing the office's responsibilities of in-depth macroeconomic analysis, state and regional outlook reports, and econometric and simulation models for forecasting risks to credit unions.
- 15) Within the regions and central offices, there are increases and transfers of positions, resulting in a remaining net increase of four (4) positions totaling **\$285,000**. The requests include two (2) public relations positions to the Office of Public and Congressional Affairs, one (1) supervisory position in the Asset Management and Assistance Center, and one (1) administrative position to the Office of Consumer Protection. Most positions transferred within the agency are result of standing up the *Office of Consumer Protection*. Twenty (20) central and regional staff have been recruited and transferred into this new office. The remaining eight (8) positions, for the office's authorized staffing level of 37, are anticipated to be recruited and filled from within the agency.

Program Support and Administrative:

- 16) The Office of the Chief Information Officer requests **\$1,617,000** for technology initiatives. Such initiatives include: a) \$1,200,000 to update current systems as well as to develop and implement systems that support E&I's national policies; and b) \$370,000 to start the migration of software and support for the 2012 replacement of laptop computers.
- 17) The moving of Region II (Capital) offices has resulted in anticipated outlays of **\$670,000**. These outlays include initial setup costs for furniture, fixtures, and business equipment of \$236,000 as well as annual rent of \$434,000.

- 18) The Office of the Chief Financial Officer, Division of Procurement and Facilities Management requests **\$555,000** for central office initiatives for replacing old furniture, painting, security, and other minor building repairs and maintenance.
- 19) The Office of Executive Director, Divisions to Strategic and Continuity Planning requests **\$135,000** for performance measurement and continuity initiatives. This includes \$85,000 for agency-wide training and \$45,000 for emergency management and notification systems.
- 20) The remaining **increase of \$253,000** is minor additions including specialized examiner training development (\$78,000), quality control reviews (\$75,000), payment system analyses (\$50,000), sign language services (\$25,000), and EEO internship programs (\$20,000).

### **Capital Acquisitions**

An itemized listing of all capital acquisitions, totaling \$2,535,000, is provided by attachment 2.

- 1) The Office of the Chief Information Officer requires **\$1,335,000** for acquisitions needed to maintain a current, stable, and secure network environment as well as to acquire laptop computers for additional staff and to update the travel reimbursement system.
- 2) The Office of the Chief Financial Officer, Division of Procurement and Facilities Management requests **\$1,200,000**, for continuing renovation on the agency's 18-year old headquarters. Renovations include the restrooms, plumbing, copy center rooms, and other capitalizable building repairs and maintenance.

**RECOMMENDED ACTIONS:** It is recommended that the NCUA Board approve the following actions:

1. The fiscal year 2011 budget of \$225,403,988 and 1,208.60 FTEs, as presented in attachment 1.
2. The 2011 capital acquisitions budget totaling \$2,535,000, as presented in attachment 2.

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Chief Financial Officer

Attachments

# 2011 PROPOSED BUDGET

By Office	Budget			Full-Time Equivalents		
	2010	2011	Change	2010	2011	Change
Office of the Board	\$ 2,554,683	\$ 2,660,940	\$ 106,257	12.00	12.00	-
Office of the Executive Director	2,620,737	3,029,314	408,577	10.00	11.00	1.00
Office of Minority and Women Inclusion	-	1,034,200	1,034,200	-	6.00	6.00
Office of the Chief Economist	486,685	1,024,753	538,068	3.00	5.00	2.00
Office of Consumer Protection	1,500,000	2,894,640	1,394,640	8.00	29.00 <sup>(1)</sup>	21.00
Office of the Chief Financial Officer	17,768,294	20,137,321	2,369,027	31.00	37.00	6.00
Office of the Chief Information Officer	13,072,429	14,104,407	1,031,978	33.00	33.00	-
Office of Corporate Credit Unions	7,804,338	8,933,167	1,128,829	38.00	37.00	(1.00)
Office of Small Credit Union Initiatives	5,215,503	5,711,587	496,084	27.00	26.00	(1.00)
Office of Examination & Insurance	5,838,983	6,705,095	866,112	29.40	29.50	0.10
Office of General Counsel	5,318,773	5,713,580	394,807	27.20	27.60	0.40
Office of Inspector General	3,225,816	4,294,171	1,068,355	9.00	9.00	-
Office of Human Resources	10,555,593	11,013,888	458,295	40.00	40.00	-
Office of Capital Markets	1,407,389	1,589,235	181,846	10.00	10.00 <sup>(2)</sup>	-
Office of Public and Congressional Affairs	961,408	1,519,289	557,881	5.00	6.00	1.00
Region I - Albany	21,775,085	24,550,614	2,775,529	153.75	165.00	11.25
Region II - Capital	34,565,009	35,662,341	1,097,332	231.10	230.00	(1.10)
Region III - Atlanta	23,116,184	25,647,495	2,531,311	160.90	167.00	6.10
Region IV - Austin	23,716,725	26,371,701	2,654,976	167.50	178.50	11.00
Region V - Tempe	16,013,598	18,011,097	1,997,499	103.00	117.00	14.00
Asset Management & Assistance Center	3,406,280	4,795,154	1,388,874	32.00	33.00	1.00
<b>Total</b>	<b>\$ 200,923,512</b>	<b>\$ 225,403,988</b>	<b>\$ 24,480,476</b>	<b>1,130.85</b>	<b>1,208.60</b>	<b>77.75</b>

(1) The Office of Consumer Protection is authorized 37.00 FTE. The remaining eight positions are anticipated to be recruited and filled from within the agency. There will be no increase to the agency-wide staffing level or budget.

(2) The Office of Capital Markets includes 3.5 FTE dedicated to the Central Liquidity Facility.

**2011 CAPITAL ACQUISITIONS**

<b>Office</b>	<b>Description</b>	<b>Useful Life Months</b>	<b>Months Used This Yr</b>	<b>Deprec Exp This Yr</b>	<b>Interest Exp This Yr</b>	<b>Total Expense This Year</b>	<b>Cash Outlay This Year</b>
OCIO	Data and voice network upgrades: Hardware upgrades, switches, router replacements, and central office/regional office infrastructure upgrades	36	6	41,667	0	41,667	\$ 250,000.00
OCIO	Network printers: Printer upgrades and scheduled printer replacements	36	6	9,167	0	9,167	\$ 55,000
OCIO	Data processing upgrades: upgrades of servers, storage systems, and implementing appropriate server virtualization	36	6	41,667	0	41,667	250,000
OCIO	Network security: upgrades to firewalls, intrusion detection system and VPN	36	6	16,667	0	16,667	100,000
OCIO	Presentation equipment	36	6	5,000	0	5,000	30,000
OCIO	Storage Area Network upgrades	36	6	25,000	0	25,000	150,000
OCIO	Purchase of Computers for Additional Staff	36	6	25,000	0	25,000	150,000
OCIO	Travel System Implementation	36	6	8,333	0	8,333	50,000
<b>TOTAL</b>							<b>\$ 1,035,000</b>
OFCO/KING	Restroom, copy centers and other capitalizable repairs and maintenance	120	6	60,000	0	60,000	\$ 1,200,000
							<b>\$ 1,200,000</b>
<b>TOTAL - OPERATING FUND PURCHASES</b>				<b>172,500</b>	<b>0</b>	<b>172,500</b>	<b>\$ 2,235,000</b>

## **BOARD ACTION MEMORANDUM**

**TO:** NCUA Board

**DATE:** November 17, 2010

**FROM:** Office of General Counsel /s/  
Office of Corporate Credit Unions /s/

**SUBJ:** Proposed Rule – Corporate  
Credit Unions (12 C.F.R. Part  
704)

**ACTION REQUESTED:** Board approval to publish the attached proposed rule in the Federal Register for a 30-day comment period.

**DATE ACTION REQUESTED:** November 18, 2010.

**OTHER OFFICES CONSULTED:** Examination and Insurance, Regions, OCM, OCFO, OSCUI, OCP.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** Jacqueline Lussier, Elizabeth Wirick, and Lisa Henderson, Staff Attorneys, Office of General Counsel; David Shetler, Deputy Director, Office of Corporate Credit Unions.

**SUMMARY:** The attached proposed amendments require corporate credit unions (corporates) to establish new internal control reporting requirements, establish an enterprise-wide risk management committee staffed with a risk management expert, conduct all board of director votes as recorded votes, and disclose certain CUSO compensation received by employees who are dual employees of corporates and corporate CUSOs. The proposed amendments also provide for the equitable sharing of Temporary Corporate Credit Union Stabilization Fund expenses among all members of a corporate and permit a corporate to charge reasonable one-time or periodic membership fees. In addition, the proposal would amend 12 C.F.R. Parts 701 and 741 to limit natural person credit unions to membership in one corporate at a time.

Staff recommends the proposed rule be issued with a 30-day comment period to coordinate, as much as possible, the effective date of this rulemaking with the effective dates of the NCUA's recent corporate rule revisions.

**RECOMMENDED ACTION:** That the NCUA Board issue the attached proposed rule with a 30-day comment period.

**ATTACHMENT:** Proposed rule.



## *Open Meeting by Meeting Date*

<i>Action</i>	<i>Subject</i>	<i>Names</i>
<b><i>Friday, January 29, 2010</i></b>		
Board Approval	Withdrawal of final rule, Part 706, Unfair or Deceptive Acts or Practices	
Board Briefing	Insurance Fund Report	
<b><i>Thursday, February 18, 2010</i></b>		
Board Briefing	Insurance Fund Report	
Board Briefing	Interim final Rule, Sect. 701.34 Secondary Capital for Low-Income Credit Unions	
<b><i>Thursday, March 18, 2010</i></b>		
Board Briefing	Insurance Fund Report	
Board Request	Proposed Rule, Parts 701, 708a, 708b Fiduciary duties; Mergers/conversions	
Board Request	Proposed Rule, Parts 701, 723, 742 RegFlex	** Hyland
Board Request	Proposed Strategic Plan 2011-2016 w/ Request for Comment	



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## *Open Meeting by Meeting Date*

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<i>Action</i>	<i>Subject</i>	<i>Names</i>
<b><i>Thursday, April 29, 2010</i></b>		
Board Approval	Part 704 Waiver and Delegation of Authority.	
Board Briefing	Insurance Fund Report	
Board Request	Proposed Rule, Section 701.21 (c)(7), short-term, small-dollar loans.	
<b><i>Thursday, May 20, 2010</i></b>		
Board Approval	Extension of TCCULGP	
Board Briefing	Final Rule, Parts 741 and 761, SAFE Act	
Board Briefing	Insurance Fund Report	
<b><i>Thursday, June 17, 2010</i></b>		
Board Approval	Delegations of Authority-Chartering	** Hyland
Board Approval	Final Rule, Part 701, IRPS 10-1, Chartering and FOM Policies	
Board Approval	TCCUSF Accounting Standards	
Board Approval	TCCUSF Assessment	
Board Approval	TCCUSF Payment of Insured Shares	
<b><i>Thursday, July 29, 2010</i></b>		

<i>Action</i>	<i>Subject</i>	<i>Names</i>
Board Briefing	Insurance Fund Report	

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***Thursday, July 29, 2010***

Board Approval	Interim final rule, Part 701, Low-income definition	
Board Approval	Interim Final Rule, Part 707 Truth in Savings	
Board Approval	Reprogramming of Operating Budget for 2010	
Board Briefing	Insurance Fund Report	
Board Request	Proposed rule, Part 750, Golden Parachute and Indemnification Payments-30 day comment period	

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## *Open Meeting by Meeting Date*

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<i>Action</i>	<i>Subject</i>	<i>Names</i>
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### *Thursday, September 16, 2010*

Board Briefing	Briefing on Dodd-Frank Act Implementation	
Board Approval	Adoption of FASAB for NCUSIF	
Board Approval	Final rule, §701.21 Short-term Small Amount Loans	
Board Approval	Final Rule, §701.34 Secondary Capital Accounts	
Board Approval	NCUSIF Premium of 0.1242 percent of federally insured shares	
Board Approval	Vantage CU Appeal, Region IV Denial of Conversion to federal community charter	
Board Briefing	Insurance Fund Report	

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### *Friday, September 24, 2010*

Board Approval	Delegation of Authority, Corporate CUSOs	
Board Approval	Final rule, Part 704, Corporate Credit Unions	
Board Approval	Proposed IRPS 10-2, Corporate FCU Chartering Guidelines	
Board Briefing	Corporate Credit Unions' Legacy Asset Plan Update	

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*Monday, September 27, 2010*

*Page 1 of 1*

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## *Open Meeting by Meeting Date*

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<i>Action</i>	<i>Subject</i>	<i>Names</i>
<b><i>Thursday, October 21, 2010</i></b>		
Board Approval	Final Rule, Parts 701, 723, 742 Reg. Flex	** Hyland
Board Approval	Interim Final Rule, Part 702, PCA	
Board Approval	NCUA Strategic Plan 2011-2016	
Board Briefing	Insurance Fund Report	
Board Briefing	Merger partner Registry	
Board Briefing	NCUSIF Public Education Campaign	

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### ***Thursday, November 18, 2010***

Board Approval	Interim Final Rule, Part 704, Technical Corrections	
Board Approval	NCUA's 2011 Operating Budget	
Board Approval	Operating Fee Scale	
Board Approval	Overhead Transfer Rate	
Board Briefing	Insurance Fund Report and Premium/Assessment Ranges	
Board Request	Proposed Rule, Part 704, Corporate Cus	

***Tuesday, November 23, 2010***

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## *Open Meeting by Meeting Date*

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<i>Action</i>	<i>Subject</i>	<i>Names</i>
<i>Thursday, December 16, 2010</i>		
Board Approval	CLF Change in Overhead Reimbursement Methodology	
Board Approval	Final Rule, Part 701, 708a and 708b, Mergers and Conversion, Fiduciary Duties and Indemnification	** Hyland
Board Approval	Final Rule, Section 701.34, Low-income Definition	
Board Approval	NCUSIF Investment Committee Addition	
Board Approval	Tri-State FCU FOM Appeal	
Board Briefing	Insurance Fund Report	
Board Request	Proposed Rule Part 740, Accuracy of Advertising and Notice of Insured Status.	**Hyland
Board Request	Proposed Rule, Part 745, Share Insurance, Noninterest bearing transaction accounts.	
Board Request	Proposed Rule, Section 701.34 Member Survey Sample Data to Meet Low-Income Designation..	

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## ***Closed Meeting by Meeting Date***

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<b><i>Action</i></b>	<b><i>Subject</i></b>	<b><i>Names</i></b>
<b><i>Friday, January 29, 2010</i></b>		
Board Briefing	Corporate Update	
Board Briefing	Corporate Update	
Personnel	Establishment of Deputy Director Position in Office of Corporate Credit Unions	
Personnel	(b)(2)	
Personnel	Selection of Elizabeth Whitehead as Region V Director	
<b><i>Thursday, February 18, 2010</i></b>		
Board Briefing	Corporate Update	
<b><i>Thursday, March 18, 2010</i></b>		
Appeal	Creditor Claim appeal (b)(6)	
Board Approval	Conservatorship-Region II Tracy FCU	Tracy FCU
Board Briefing	Corporate Update	
Personnel	OGC-Establishment of new SSP in Applications Section	
<b><i>Monday, March 22, 2010</i></b>		

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## *Closed Meeting by Meeting Date*

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<i>Action</i>	<i>Subject</i>	<i>Names</i>
<i>Friday, April 23, 2010</i>		
Board Approval	Conservatorship-Region II- St. Paul Croatian FCU	St. Paul Croatian FCU

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### *Thursday, April 29, 2010*

Board Briefing	Corporate Update
Board Briefing	St. Paul Croatian FCU Liquidation
Personnel	Temporary Details-Alonzo Swann detailed to Spec. Ass't. OED; Herb Yollis, Acting Reg. III Dir. (b)(2)
Personnel/Briefing	(b)(2)

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### *Thursday, May 20, 2010*

Board Approval	Authorization to Borrow Funds for the Temporary Corporate Stabilization Fund
Board Briefing	Corporate Update

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*Friday, May 21, 2010*

*Page 1 of 1*



## *Closed Meeting by Meeting Date*

<i>Action</i>	<i>Subject</i>	<i>Names</i>
<i>Thursday, June 17, 2010</i>		
Board Approval	Certification of Expenditures from the TCCUSF	
Board Approval	Extension of TCCUSF	
Board Briefing	Corporate Update	
<i>Thursday, June 24, 2010</i>		
Board Approval	Conservatorship-Region II-Arrowhead Central CU	
<i>Wednesday, June 30, 2010</i>		
Board Approval	(b)(8)	
<i>Wednesday, July 21, 2010</i>		
Board Approval	(b)(8)	
<i>Thursday, July 29, 2010</i>		
Board Approval	Creditor Claim Appeal (b)(6)	
Board Briefing	Corporate Update	

## ***Closed Meeting by Meeting Date***

<b><i>Action</i></b>	<b><i>Subject</i></b>	<b><i>Names</i></b>
<b><i>Friday, July 30, 2010</i></b>		
Board Approval	Conservatorship, Family First FCU	
Board Briefing	(b)(8)	
<b><i>Tuesday, August 03, 2010</i></b>		
Board Approval	(b)(8)	
Board Approval	Liquidation, Kappa Alpha Psi FCU	
Board Briefing	(b)(8)	
<b><i>Friday, September 03, 2010</i></b>		
Board Approval	Allocation of Funds for Liquidation Contractors	
Board Approval	Contract for long-term lease, Region II	
Board Approval	Contract with Barclays	
Board Approval	Creation of Bridge Corporates	
Board Approval	Delegation of Authority, Securitization of Assets	
Board Approval	Legal Fees for Securitization of Assets	
<b><i>Tuesday, September 07, 2010</i></b>		<b><i>Page 1 of 2</i></b>

## ***Closed Meeting by Meeting Date***

<i><b>Action</b></i>	<i><b>Subject</b></i>	<i><b>Names</b></i>
<i><b>Thursday, September 16, 2010</b></i>		
Board Approval	Amend AMAC Delegations 15 and 16	
Board Approval	Amend SUP Delegations 21 and 42	
Board Approval	New Delegation SPE 31	
Board Briefing	Corporate Update	
<i><b>Friday, September 24, 2010</b></i>		
Board Approval	Conservatorship of Members United Corporate FCU	
Board Approval	Conservatorship of Southwest Corporate FCU	
Board Approval	Conservatorship of Constituion Corporate FCU	
Board Approval	Delegation to OCCU Director to place US Central FCU into Liquidation	
Board Approval	Delegation to OCCU Director to place Western Corporate (WesCorp) FCU into Liquidation	
Board Approval	Payment Authority on Asset Guaranties from TCCUSF	
Board Approval	TCCUSF Guarantee of Obligations of WesCorp and WesCorp Bridge Corporate	

***Monday, September 27, 2010***

***Page 1 of 1***

## ***Closed Meeting by Meeting Date***

<i><b>Action</b></i>	<i><b>Subject</b></i>	<i><b>Names</b></i>
<i><b>Thursday, October 21, 2010</b></i>		
Board Approval	(b)(8)	
Board Approval	(b)(8)	
Board Approval	Insurance appeal (b)(4)	
Board Approval	Insurance appeal (b)(6)	
Board Approval	US Central Bridge PUED	
Board Approval	WesCorp Bridge	
Board Briefing	Corporate Update	

### ***Wednesday, November 17, 2010***

Board Approval	Insurance Appeal/ (b)(6)	
Board Approval	Insurance Appeal/ (b)(4)	
Board Approval	Insurance Appeal/ (b)(6)	
Board Approval	Limits under TCCULGP for Bridge Corporates	
Board Approval	Loss Share Pilot Program	

### ***Monday, December 20, 2010***

<i>Action</i>	<i>Subject</i>	<i>Names</i>
Board Approval	Members United PUEO	
Board Approval	Personnel, Office of Minority and women Inclusion, Tawan James, Director	
Board Approval	Personnel, (b)(6)	
Board Approval	Southwest Bridge PUEO	
Board Approval	(b)(4)	
Board Briefing	Corporate Update	

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***Friday, December 17, 2010***

Board Approval	Conservatorship of AEA FCU	
Board Approval	(b)(8)	
Board Approval	Personnel, App't. of Herb Yolles as Temporary Region III Director.	
Board Briefing	Corporate Update	

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***Monday, December 20, 2010***

***Page 2 of 2***