

The purpose of the investment policy is to provide guidelines for the investment of NCUSIF funds. The policy addresses the following areas:

- Statutory Authority
- Responsibilities of the NCUA Board, Investment Committee, and NCUA staff
- Investment Objectives
- Permissible Types of Investments
- Investment Strategy
- Reporting Requirements and Internal Controls

With the establishment of the Office of the Chief Economist in 2010, NCUA formalized the discipline of economic analysis in a stand-alone office in order to augment the evaluation of various policy and supervision initiatives. The management of the NCUSIF investment portfolio directly impacts the earnings of the fund and in turn the reserve of funds available to manage the contingent liability for losses on insured credit unions.

The management of the NCUSIF Investment Committee will benefit from the participation of the agency's Chief Economist and it is therefore recommended that this position be added to the Committee membership. This change is proposed through the adoption of the attached revised NCUSIF Investment Policy.

SUMMARY:

Staff recommends the NCUA Board formally review and approve revisions to sections III and IV of the investment policy. The revised policy:

1. Adds the Chief Economist to the NCUSIF Investment Committee; and
2. Specifies the role of the Chief Economist on the committee.

RECOMMENDED ACTION: Staff recommends the NCUA Board adopt the attached NCUSIF investment policy.

ATTACHMENTS: NCUSIF Investment Policy.