



National Credit Union Administration
Office of Credit Union Resources and Expansion

BOARD ACTION MEMORANDUM

TO: The NCUA Board

DATE: June 15, 2023

FROM: Office of Credit Union Resources
and Expansion (CURE)

SUBJ: Proposed Interpretive Ruling and
Policy Statement 13-1 (IRPS), Minority
Depository Institution Preservation
Program

R A for MN

ACTION ITEM: The NCUA Board's approval of the proposed IRPS for publication in the Federal Register for a 60-day comment period.

DATE ACTION REQUESTED: June 22, 2023

OTHER OFFICES CONSULTED: Office of General Counsel

VIEWS OF OTHER OFFICES CONSULTED: Concur

BUDGET IMPACT, IF ANY: None

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes

RESPONSIBLE STAFF MEMBERS: Pamela Williams, Minority Depository Institutions (MDI) Program Manager, CURE; Elizabeth Wirick, Senior Staff Attorney, Office of General Counsel.

SUMMARY: The NCUA is proposing to amend IRPS 13-1 to reflect the transfer of the MDI Preservation Program (MDI Program) administration to CURE, update program features, and clarify the requirements to receive and maintain an MDI designation.

On June 18, 2015, the NCUA Board approved a final MDI Program IRPS that detailed the agency's objectives for preserving and encouraging MDI credit unions in accordance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) section 308, as applied to NCUA in the Dodd-Frank Wall Street Reform and Consumer Protection Act. These objectives are consistent with the NCUA's mission and strategic goal of ensuring a safe, sound, and viable system of cooperative credit that protects consumers. As part of the agency's restructuring in 2018, responsibility for the MDI Program transferred to CURE.

The proposed IRPS reflects changes to the agency's structure and clarifies the NCUA's policy on MDI preservation. The proposed IRPS reorganizes and streamlines the policy to improve readability. The primary content revisions include:

- Incorporating recent program initiatives such as the consulting and support program for MDIs, and providing examples of technical assistance an MDI may receive.
- Including subsections on engagement with MDIs, technical assistance, examination of MDIs, Community Development Revolving Loan Fund grants and loans, training and education, and preservation of MDIs.
- Establishing a new standard for MDIs to periodically assess their designation and updating how the NCUA will review an MDI's designation status to reflect it will be part of the examination process.
- Simplifying "community it services, as designated in its charter" to refer to an MDI's field of membership.
- Specifying that "Asian American" includes Native Hawaiian or Other Pacific Islander, and "Native American" includes American Indian and Alaska Natives.
- Clarifying that "small entity" means a "small credit union" as defined by the NCUA, and the simplified process for a small credit union to determine whether it qualifies as an MDI.
- Adding new sections that address comments to the agency, the agency's annual congressional reporting on MDIs, and the availability of the list of MDIs from the NCUA website.

RECOMMENDED ACTION: NCUA Board approval of the attached proposed IRPS 13-1 for publication in the Federal Register with a 60-day comment period.

ATTACHMENT: Proposed Interpretive Ruling and Policy Statement 13-1.