

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** December 15, 2008

**FROM:** Office of General Counsel

**SUBJ:** Final Rule: Unfair  
or Deceptive Acts or  
Practices (Part 706)

**ACTION REQUESTED:** Board approval of a joint, final rulemaking with the Federal Reserve Board and Office of Thrift Supervision (collectively, “the Agencies”) prohibiting certain credit card practices as unfair or deceptive under section 5 of the Federal Trade Commission Act, 12 U.S.C. 45.

**DATE ACTION REQUESTED:** December 18, 2008.

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

**RESPONSIBLE STAFF MEMBERS:** Moissette I. Green and Ross Kendall, Staff Attorneys, Office of General Counsel.

**SUMMARY:** The Agencies are issuing a final rulemaking to prohibit the following credit card practices: (1) providing consumers insufficient time to make payments; (2) failing to provide reasonable allocation of payments among balances with different interest rates; (3) applying increases in annual percentage rates to pre-existing balances; (4) calculating finance charges using double cycle billing; and (5) requiring excessive security deposits and account opening fees for the issuance or availability of credit.

**RECOMMENDED ACTION:** The Board approve the final rule.

**ATTACHMENT:** Final Rulemaking.