



National Credit Union Administration  
Office of General Counsel

**TO:** NCUA Board  
**DATE:** October 4, 2023  
**FROM:** Office of General Counsel  
**SUBJ:** Proposed Rule – Simplification of Share Insurance Rules (Part 745)

**ACTION REQUESTED:** NCUA Board approval to issue the attached proposed rule.

**DATE ACTION REQUESTED:** October 19, 2023.

**OTHER OFFICES CONSULTED:** Office of the Chief Economist  
Office of Credit Union Resources and Expansion  
Office of Examination and Insurance  
Office of Consumer Financial Protection  
Office of National Examinations and Supervision  
Asset Management Assistance Center  
Eastern Region  
Southern Region  
Western Region

**VIEWS OF OTHER OFFICES CONSULTED:** The listed offices reviewed the draft rule and provided input. Input was considered and adopted as appropriate prior to it being sent to the NCUA Board.

**BUDGET IMPACT, IF ANY:** There is no estimated budget impact.

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

**RESPONSIBLE STAFF MEMBERS:** Thomas Zells, Senior Staff Attorney, Office of General Counsel.

**SUMMARY:** The proposed rule would seek comment on proposed amendments to the NCUA's regulations governing share insurance coverage. The proposed rule would address the following items: simplify the share insurance regulations by establishing a "trust accounts" category that would provide for coverage of funds of both revocable trusts and irrevocable trusts deposited at federally insured credit unions (FICUs) in the accounts of members or those otherwise eligible to maintain insured accounts (member accounts); provide consistent share insurance treatment for all mortgage servicing account balances held to satisfy principal and interest obligations to a lender; and provide more flexible recordkeeping requirements to explicitly allow the NCUA to look to records held in the normal course of businesses that are maintained by parties other than a FICU and its members on their behalf. The proposed changes to the trust account and mortgage servicing account provisions would align with changes the FDIC previously adopted and are set to take effect on April 1, 2024.

**RECOMMENDED ACTION:** The NCUA Board approve the attached proposed rule for publication in the *Federal Register*.

**ATTACHMENT:** Proposed rule.

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1775 Duke Street – Alexandria, VA 22314-6113 – 703-518-6540