



National Credit Union Administration

TO: NCUA Board

DATE: October 11, 2021

FROM: Board Member Rodney E. Hood *Rodney E. Hood*
Vice Chairman Kyle Hauptman *Kyle Hauptman*
SUBJ: Final rule: Credit Union Service Organizations (CUSOs) (Part 712)

ACTION ITEM: NCUA Board (Board) approval to issue a final CUSO rule.

DATE OF ACTION: October 21, 2021

OTHER OFFICES CONSULTED: Office of Examination and Insurance
Office of General Counsel

VIEWS OF OTHER OFFICES CONSULTED: N/A

BUDGET IMPACT, IF ANY: \$50,000.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Board Member Rodney E. Hood and Vice Chairman Kyle Hauptman.

SUMMARY: At its January 14, 2021 meeting, the Board issued a proposed rule to amend the NCUA's CUSO regulation. The proposed rule provided for a 30-day comment period that closed on March 29, 2021. To allow interested persons more time to consider and submit comments, the Board extended the comment period for an additional 30 days. The extended comment period closed on April 30, 2021. The final rule will amend the NCUA's regulation regarding CUSOs. After consideration of public comments, the final rule will adopt the proposed rule as final without any substantive changes. The final rule will accomplish two objectives: (1) expanding the list of permissible activities and services for CUSOs to include originating any type of loan that a federal credit union may originate; and (2) granting the Board additional flexibility to approve permissible activities and services outside of notice-and-comment rulemaking.

BOARD ACTION: NCUA Board approval of the final rule.