



BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: December 5, 2023

FROM: Chief Financial Officer

SUBJ: Final Notice, Operating Fee Schedule methodology

ACTION REQUESTED: Board approval to issue the attached final notice on the Operating Fee Schedule methodology.

DATE ACTION REQUESTED: December 14, 2023

OTHER OFFICES CONSULTED: Office of General Counsel

BUDGET IMPACT, IF ANY: None

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes

RESPONSIBLE STAFF MEMBERS: Eugene Schied, Chief Financial Officer, James Holm, Supervisory Budget Analyst, Todd Soloweigh, Financial Analyst, Office of the Chief Financial Officer.

SUMMARY:

Following a June 2023 notice and request for comment issued by the Board, the Office of the Chief Financial Officer is requesting the NCUA Board approve the issuance of a final notice making the following revisions to the Operating Fee Schedule methodology:

1. Increasing the fee exemption asset threshold below which federal credit unions (FCUs) are not required to pay the operating fee from \$1 million to \$2 million.
2. Increasing the fee exemption asset threshold in future years by the aggregate rate of growth for FCU assets.

BACKGROUND:

In June 2023, the Board published a notice and request for comment about changing from \$1 million to \$2 million the threshold below which FCUs are exempt from paying an operating fee. The request for comment also sought views about making annual inflationary adjustments to the threshold in the future and whether, and if so how, the Board should modify the current three-tier Operating Fee Schedule.

In response to the public comments received on the Operating Fee Schedule methodology, staff recommends adopting the changes proposed by the Board. Because the public did not provide detailed views about the current distribution of fees by asset tier, staff recommends conducting further study regarding this issue and providing such analysis to the public in a future notice.

RECOMMENDED ACTION: Board approval to issue a final notice on the NCUA Operating Fee Schedule methodology.

ATTACHMENT: Notice regarding the NCUA Operating Fee Schedule methodology.