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## NATIONAL CREDIT UNION ADMINISTRATION

**12 CFR Parts 700, 701, 702, 704, 707, 708a, 708b, 709, 712, 716, 723, 725, 741, 745, 748, 750, 761, 790, 791, and 792**

**RIN 3133-AE20**

### Technical Amendments

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board (Board) is making a number of technical amendments to NCUA's regulations based on issues identified by staff and through NCUA's rolling, three-year regulatory review process. In addition, the Board is making a number of nomenclature changes to NCUA's regulations to reflect changes to NCUA's office structure, including the transfer of duties and the creation of the new Office of National Examinations and Supervision (ONES). Finally, under title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>1</sup> (Dodd-Frank Act), rulemaking authority for a number of consumer financial protection laws were transferred from various federal regulatory agencies, including NCUA, to the Consumer Financial Protection Bureau (CFPB). As a result, the Board is now updating certain cross citations within its regulations and rescinding NCUA's rules governing the "Privacy of Consumer Financial Information" under the Gramm-Leach-Bliley Act<sup>2</sup> and the "Registration of Residential Mortgage Loan Originators" under the Secure and Fair Enforcement for Mortgage Licensing Act of 2008,<sup>3</sup> which were transferred to the CFPB.

<sup>1</sup> Public Law 111-203, 124 Stat. 1376, 1955-2113 (2010).

<sup>2</sup> 12 U.S.C. 6801 *et seq.*

<sup>3</sup> 12 U.S.C. 5101 *et seq.*

**DATES:** The final rule is effective on May 31, 2013.

**FOR FURTHER INFORMATION CONTACT:** John H. Brolin, Staff Attorney, Office of General Counsel, at 1775 Duke Street, Alexandria, VA 22314 or telephone: (703) 518-6438.

### SUPPLEMENTARY INFORMATION:

- I. Background and Purpose of the Final Rule
- II. Regulatory Amendments
- III. Regulatory Procedures

#### I. Background and Purpose of the Final Rule

*Why is the NCUA Board issuing this rule?*

In 2012, NCUA's rolling, three-year review of its regulations identified, among other things, minor errors, duplicative definitions, and outdated regulatory provisions that could be eliminated to help update, clarify and simplify the regulations. NCUA reviews one-third of its regulations each year to "update, clarify and simplify existing regulations and eliminate redundant and unnecessary provisions."<sup>4</sup> In addition, NCUA staff has identified helpful citation corrections and other minor technical amendments that could be made in other parts of NCUA's regulations. As explained in more detail in the Regulatory Amendments section below, the following technical amendments can be made without making substantive changes to the regulations:

- Reconcile duplicative definitions in part 700 with definitions in other parts of NCUA's regulations;
- Update a cross citation in § 702.104(c);
- Update a cross citation in § 709.1(c);
- Update numerous cross citations in NCUA's regulations to account for the transfer of rulemaking authority by the Dodd-Frank Act for several statutes from the Board of Governors of the Federal Reserve Board (FRB) to the CFPB.
- Update §§ 792.50 and 792.51 to identify NCUA's Office of the Executive Director as the office responsible for NCUA's security procedures for classified information; and
- Update the wording in § 792.51(d) to remove the citation to Executive Order 12356, which has been revoked,

<sup>4</sup> NCUA Interpretive Ruling and Policy Statement (IRPS) 87-2, as amended by IRPS 03-2, and IRPS 13-1, "Developing and Reviewing Government Regulations."

and instead cite more generally to appropriate Executive Orders relating to the classification of national security information.

In July 2012, the Board approved a restructuring of NCUA's central office. This restructuring consisted of transferring certain functions and renaming the Office of Corporate Credit Unions (OCCU), which is now referred to as ONES. ONES has taken over the responsibilities of OCCU for corporate credit unions and, beginning January 1, 2014, will oversee examinations and supervision issues related to consumer credit unions with assets greater than \$10 billion. In addition to the amendments described above, the Board is also amending various parts of NCUA's regulations to conform them to match the current central and field office structure.

In 2010, President Obama signed into law the Dodd-Frank Act. The Dodd-Frank Act substantially changed the federal legal framework with respect to consumer financial protection regulation. Among the many changes, title X of the Dodd-Frank Act transferred to the CFPB NCUA's rulemaking authority under the Gramm-Leach-Bliley Act and the Secure and Fair Enforcement for Mortgage Licensing Act of 2008.<sup>5</sup> As a result, NCUA is rescinding the following two rules, which have been republished as interim final rules by the CFPB:

- Privacy of Consumer Financial Information, 12 CFR part 716 (republished by the CFPB at 12 CFR part 1016);<sup>6</sup> and
- Registration of Residential Mortgage Loan Originators, 12 CFR part 761 (republished by the CFPB at 12 CFR part 1007).<sup>7</sup>

To assist federally insured credit unions, the rescinded parts of NCUA's regulations will retain their original heading and be amended to include a cross citation to the CFPB's republished version of the regulation.

#### II. Regulatory Amendments

*1. Parts 700, 704, 707, 712, 725, 750, 791, and 792—Amendments To Clarify Definitions*

*Alternative definitions.* This final rule amends § 700.1 to clarify that the

<sup>5</sup> 12 U.S.C. 5101 *et seq.*

<sup>6</sup> See 76 FR 79025 (Dec. 21, 2011).

<sup>7</sup> See 76 FR 78483 (Dec. 19, 2011).

definitions in § 700.2 apply to the terms used in chapter VII, “unless the context indicates otherwise.” The change is intended to clarify that in situations where a term is defined in § 700.2 and an alternative definition is also provided in a specific section or part, the alternative definition in the section or part controls over the general definition provided in § 700.2 or elsewhere in part 700. For example, § 700.2 generally defines the term “Act” as the Federal Credit Union Act. Part 760 of NCUA’s regulations governing “loans in areas having special flood hazards,” however, specifically defines the term “Act” for purposes of only that particular part as “the National Flood Insurance Act.” Reading the definition of Act provided in part 760 in context, it is clear that for purposes of that part, “Act” means the National Flood Insurance Act even though part 700 provides a different definition for the term for purposes of chapter VII.

*Definition of “state.”* This final rule amends § 700.2 to remove the “Panama Canal Zone” from the definition of “state,” as the Panama Canal Zone is no longer a territory or possession of the United States. In addition, the rule removes the duplicative, redundant definitions of the term “state” in §§ 704.2 and 707.2(v).

*Duplicative definition of “Board.”* Section 700.2 defines the term “Board” for purposes of 12 CFR chapter VII as “the Board of the National Credit Union Administration.” This final rule amends §§ 707.2(e), 725.2(n), and 791.10(b) to remove substantially similar duplicative definitions of the term “Board” provided in those sections.

*Duplicative definition of “paid-in and unimpaired capital and surplus.”* Section 700.2 defines the term “paid-in and unimpaired capital and surplus” for purposes of 12 CFR chapter VII. This final rule amends § 712.2(d)(1) to remove a substantially similar duplicative definition of that term.

*Duplicative definition of the term “Act.”* Section 700.2 defines the term “Act” for purposes of 12 CFR chapter VII. This final rule amends § 750.1(a) to remove a substantially similar duplicative definition of the term Act.

## 2. Parts 700, 701, 704, 708a, 708b, 723, 741, 750, and 790—Adjustments to NCUA’s Central and Field Office Structure

As discussed above, the Board is amending various parts of NCUA’s regulations to conform them to match the current central and field office structure. Many of the changes involve nomenclature changes, which simply retitle the “Office of Corporate Credit

Unions” as the “Office of National Examinations and Supervision.” However, as discussed in more detail below, this final rule also makes other changes related to the transfers of responsibility.

*Amended definition of “Regional Office” and “Regional Director.”* This final rule amends the definition of “Regional Office” in § 700.2 to clarify that for credit unions with \$10 billion or more in assets, “Regional Office” means the “Office of National Examinations and Supervision.” This final rule also removes the description of the Office of Corporate Credit Unions from § 790.2(b)(14) and amends and restructures § 790.2(c) to include a description of the “Office of National Examinations and Supervision.”

Similarly, this final rule amends the definitions of “Regional Director” in §§ 700.2, 702.2(a), 708a.101, and 708a.301 for credit unions with \$10 billion or more in assets, so that “Regional Director” means the “Director of the Office of National Examinations and Supervision.”

*Amendments to “Security Procedures for Classified Information.”* This final rule updates subpart D under part 792 governing “security procedures for classified information” in response to a central office restructuring approved by the Board in November 2009 as part of the fiscal year 2010 and 2011 operating and capital budgets. The restructuring transferred the responsibilities for handling classified information to NCUA’s Executive Director.

Accordingly, this final rule primarily amends §§ 792.50 and 792.51 by updating the description of NCUA’s internal procedures and replacing the references to the “Chief Financial Officer” and “Chief Financial Officer’s” designee with references to the “Executive Director” and the “Executive Director’s” designee.

In addition, this final rule amends § 792.51(d) to revise an outdated reference to Executive Order 12356, which has been revoked.<sup>8</sup> As amended, § 792.51(d) provides in relevant part: “The Executive Director shall require each such employee to review applicable Executive Orders on the classification of National Security Information.”

## 3. Part 716—Privacy of Consumer Financial Information

As discussed above, in response to changes made by the Dodd-Frank Act,

this final rule rescinds 12 CFR part 716, which has been republished by the CFPB at 12 CFR part 1016.<sup>9</sup> To assist credit unions in locating part 1016, rescinded part 716 will retain its original heading and include a cross cite to the CFPB’s rules governing the privacy of consumer financial information (Regulation P).

## 4. Part 745—Rescission of Unlimited Insurance for Noninterest-Bearing Transaction Accounts

Section 343 of the Dodd-Frank Act provided that, on a temporary basis, NCUA would fully insure the net amount that any member or depositor at an insured credit union maintained in a noninterest-bearing transaction account. NCUA amended part 745 of its regulations to implement these temporary statutory changes through a final rule that became effective on June 24, 2011.<sup>10</sup> Consistent with the sunset provisions in Dodd-Frank Act section 343(b)(3) and § 745.14 of NCUA’s regulations, NCUA is rescinding its regulations implementing the temporary expanded insurance coverage granted under Dodd-Frank Act section 343(b)(1). In particular, the rule removes the definition of “noninterest-bearing transaction account” in § 745.1(f), and removes § 745.14 governing noninterest-bearing transaction accounts. The Board notes, however, that these accounts continue to be insured under other provisions of part 745.

## 5. Part 761—Registration of Residential Mortgage Loan Originators

As discussed above, in response to changes made by the Dodd-Frank Act, this final rule rescinds 12 CFR part 761, which has been republished by the CFPB at 12 CFR part 1007.<sup>11</sup> To assist credit unions in locating part 1007, rescinded part 761 will retain its original heading and include a cross cite to the CFPB’s rules governing the federal registration of residential mortgage loan originators (Regulation G).

## 6. Parts 701, 702, 709, 741, and 748—Updates to Cross Citations

*Cross cites to CFPB regulations.* The rule updates several cross citations to rescinded parts 716 and 761.

*Cross cite to definitions section of 12 CFR part 703.* This final rule also amends § 702.104(c) by removing the cross citation to the definition of investments at 12 CFR 703.150, the former definitions section to part 703,

<sup>8</sup> EO 12356 (April 2, 1982) was revoked by EO 12958 (April 17, 1995), which was then revoked by the current Executive Order “Classified National Security Information,” EO 13526 (Dec. 29, 2009).

<sup>9</sup> See 76 FR 79025 (Dec. 21, 2011).

<sup>10</sup> See 76 FR 30250 (May 25, 2011).

<sup>11</sup> See 76 FR 79025 (Dec. 21, 2011).

and replaces it with a cross cite to the current definition of investments at 12 CFR 703.2.<sup>12</sup>

*Cross cite to definitions section of 12 CFR part 700.* This final rule amends § 709(c) by updating the cross citation to the definition of the term insolvent at § 700.1(c), which was moved by a final rule issued in 2001<sup>13</sup> to its current location at 12 CFR 700.2.

### III. Regulatory Procedures

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact a rule may have on a substantial number of small entities (primarily those under \$50 million in assets). NCUA certifies that these technical amendments will not have a significant economic impact on a substantial number of small credit unions.

#### *Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (PRA) applies to rulemakings in which an agency by rule creates a new paperwork burden on regulated entities or modifies an existing burden.<sup>14</sup> For purposes of the PRA, a paperwork burden may take the form of either a reporting or a recordkeeping requirement, both referred to as information collections. NCUA has determined that the technical amendments in this final rule do not increase the paperwork requirements under PRA or regulations of the Office of Management and Budget.

#### *Executive Order 13132*

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests. NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. This final rule will not have a substantial direct effect on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. NCUA has determined that this final rule does not constitute a policy that has federalism implications for purposes of the executive order.

#### *Assessment of Federal Regulations and Policies on Families*

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.<sup>15</sup>

#### *Small Business Regulatory Enforcement Fairness Act*

The Small Business Regulatory Enforcement Fairness Act of 1996<sup>16</sup> (SBREFA) provides generally for congressional review of agency rules. A reporting requirement is triggered in instances where NCUA issues a final rule as defined by Section 551 of the Administrative Procedure Act (APA).<sup>17</sup> NCUA has submitted this rule to the Office of Management and Budget for it to determine if the final rule is a “major rule” for purposes of SBREFA. NCUA does not believe the rule is major.

#### *Final Rule*

Generally, the APA requires a federal agency to provide the public with notice and the opportunity to comment on agency rulemakings. The amendments in this rule are non-substantive and technical topics, or involve only matters relating to management and personnel and are exempt from APA notice and comment requirements.<sup>18</sup> They reflect changes to NCUA’s organizational structure, remove duplicative language, make minor changes updating cross citations, and make minor changes which are statutorily required by the Dodd-Frank Act. The APA permits an agency to forego the notice and comment period under certain circumstances, such as when a rulemaking is technical and non-substantive. NCUA finds that, in this instance, notice and public comment are unnecessary under section 553(b)(3)(B) of the APA.<sup>19</sup> NCUA also finds good cause to dispense with the 30-day delayed effective date requirement under section 553(d)(3) of the APA.<sup>20</sup> The rule, therefore, will be effective immediately upon publication.

#### **List of Subjects**

12 CFR Part 700

Credit unions.

12 CFR Part 702

Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 707

Advertising, Credit unions, Reporting and recordkeeping requirements, Truth in savings.

12 CFR Part 708a

Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 712

Administrative practice and procedure, Credit unions, Investments, Reporting and recordkeeping requirements.

12 CFR Part 716

Consumer protection, Credit unions, Privacy, Reporting and recordkeeping requirements.

12 CFR Part 725

Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 745

Administrative practice and procedure, Claims, Credit unions, Share insurance.

12 CFR Part 750

Credit unions, Golden parachute payments, Indemnity payments.

12 CFR Part 761

Consumer protection, Credit unions, Registration of mortgage loan originators.

12 CFR Part 790

Organization and functions (Government agencies).

12 CFR Part 791

Administrative practice and procedure, Sunshine Act.

12 CFR Part 792

Classified information, Confidential business information, Courts, Freedom of information, Government employees, Privacy.

By the National Credit Union Administration Board on May 16, 2013.

**Mary Rupp,**

*Secretary of the Board.*

For the reasons discussed above, NCUA Board amends 12 CFR parts 700, 701, 702, 704, 707, 708a, 708b, 709, 712, 716, 723, 725, 741, 745, 748, 750, 761, 790, 791, and 792 as follows:

#### **PART 700—DEFINITIONS**

■ 1. The authority citation for part 700 continues to read as follows:

**Authority:** 12 U.S.C. 1752, 1757(6), 1766.

■ 2. Revise § 700.1 to read as follows:

<sup>12</sup> See 68 FR 32958 (June 3, 2003) (Final rule amending the 12 CFR part 703 by, among other things, relocating § 703.150 to § 703.2).

<sup>13</sup> See 66 FR 65622 (Dec. 20, 2001).

<sup>14</sup> 44 U.S.C. 3507(d); 5 CFR part 1320.

<sup>15</sup> Public Law 105–277, 112 Stat. 2681 (1998).

<sup>16</sup> Public Law 104–121, 110 Stat. 857 (1996).

<sup>17</sup> 5 U.S.C. 551.

<sup>18</sup> 5 U.S.C. 553(a)(2) and 553(b)(3)(B).

<sup>19</sup> 5 U.S.C. 553(b)(3)(B).

<sup>20</sup> 5 U.S.C. 553(d)(3).

**§ 700.1 Scope.**

The definitions in § 700.2 apply to terms used in this chapter unless the context indicates otherwise. Many additional definitions appear in the parts where the terms are used.

- 3. Amend § 700.2 by revising the definitions of “Regional Director”; “Regional Office”; and “State” to read as follows:

**§ 700.2 Definitions.**

\* \* \* \* \*

*Regional Director* means the representative of the Administration in the designated geographical area in which the office of the federal credit union is located or, for federal credit unions with \$10 billion or more in assets, the Director of the Office of National Examinations and Supervision.

*Regional Office* means the office of the Administration located in the designated geographical areas in which the office of the federal credit union is located or, for federal credit unions with \$10 billion or more in assets, the Office of National Examinations and Supervision.

\* \* \* \* \*

*State* means a state of the United States, the District of Columbia, any of the several territories and possessions of the United States, and the Commonwealth of Puerto Rico.

\* \* \* \* \*

**PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS**

- 4. The authority citation for part 701 continues to read as follows:

**Authority:** 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1786, 1787, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 et seq.; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 42 U.S.C. 4311–4312.

**§ 701.3 [Amended]**

- 5. Amend § 701.3(d)(3) by removing the words “§ 716.3 of this part” and adding in their place the words “12 CFR 1016.3”.

**§ 701.14 [Amended]**

- 6. Amend § 701.14(c)(3)(i) by removing the words “Office of Corporate Credit Unions” wherever they appear and adding in their place the words “Office of National Examinations and Supervision”.

**Appendix B to Part 701 [Amended]**

- 7. Amend paragraph 1.IX. of appendix B to part 701 by removing the words

“Office of Corporate Credit Unions” and adding in their place the words “Office of National Examinations and Supervision”.

**PART 702—PROMPT CORRECTIVE ACTION**

- 8. The authority citation for part 702 continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1790d.

- 9. Revise § 702.2(a) to read as follows:

**§ 702.2 Definitions.**

\* \* \* \* \*

(a) *Appropriate Regional Director* means the director of the NCUA Regional Office having jurisdiction over federally insured credit unions in the state where the affected credit union is principally located or, for credit unions with \$10 billion or more in assets, the Director of the Office of National Examinations and Supervision.

\* \* \* \* \*

**§ 702.104 [Amended]**

- 10. Amend § 702.104(c) by removing the words “12 CFR 703.150” and adding in their place the words “12 CFR 703.2”.

**PART 704—CORPORATE CREDIT UNIONS**

- 11. The authority citation for part 704 continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1781, 1789.

**§ 704.2 [Amended]**

- 12. Amend § 704.2 by removing the definition of *State*.

**§ 704.10 [Amended]**

- 13. Amend § 704.10 by removing the words “OCCU Director” the first place they appear and adding in their place the words “Director of the Office of National Examinations and Supervision (ONES)”; and by removing the term “OCCU” wherever it appears and adding in its place the term “ONES”.

**§ 704.12 [Amended]**

- 14. Amend § 704.12(b) by removing the words “OCCU Director” wherever they appear and adding in their place the words “Director of the Office of National Examinations and Supervision”.

**PART 707—TRUTH IN SAVINGS**

- 15. The authority citation for part 707 continues to read as follows:

**Authority:** 12 U.S.C. 4311.

**§ 707.2 [Amended]**

- 16. Amend § 707.2 as follows:

- a. Remove paragraph (e) and redesignate paragraphs (f) through (u) as paragraphs (e) through (t).

- b. Remove paragraph (v) and redesignate paragraphs (w) through (z) as paragraphs (u) through (x).

**PART 708a—BANK CONVERSIONS AND MERGERS**

- 17. The authority citation for part 708a continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1785(b), and 1785(c).

- 18. Amend § 708a.101 by revising the definition of “Regional Director” to read as follows:

**§ 708a.101 Definitions.**

\* \* \* \* \*

*Regional Director* means either the director of the NCUA Regional Office for the region where a natural person credit union’s main office is located or the director of the NCUA’s Office of Consumer Protection. For corporate credit unions and natural person credit unions with \$10 billion or more in assets, *Regional Director* means the director of NCUA’s Office of National Examinations and Supervision.

\* \* \* \* \*

- 19. Amend § 708a.301 by revising the definition of “Regional Director” to read as follows:

**§ 708a.301 Definitions.**

\* \* \* \* \*

*Regional Director* means the director of the NCUA Regional Office for the region where a natural person credit union’s main office is located. For corporate credit unions and natural person credit unions with \$10 billion or more in assets, *Regional Director* means the Director of NCUA’s Office of National Examinations and Supervision.

\* \* \* \* \*

**PART 708b—MERGERS OF FEDERALLY INSURED CREDIT UNIONS; VOLUNTARY TERMINATION OR CONVERSION OF INSURED STATUS**

- 20. The authority citation for part 708b continues to read as follows:

**Authority:** 12 U.S.C. 1752(7), 1766, 1785, 1786, 1789.

**§ 708b.2 [Amended]**

- 21. Amend § 708b.2 by removing the words “Office of Corporate Credit Unions” from the definition of *Regional director* and adding in their place the words “Office of National Examinations and Supervision”.

### PART 709—INVOLUNTARY LIQUIDATION OF FEDERAL CREDIT UNIONS AND ADJUDICATION OF CREDITOR CLAIMS INVOLVING FEDERALLY INSURED CREDIT UNIONS IN LIQUIDATION

■ 22. The authority citation for part 709 continues to read as follows:

**Authority:** 12 U.S.C. 1757, 1766, 1767, 1786(h), 1787, 1788, 1789, 1789a.

#### § 709.1 [Amended]

■ 23. Amend § 709.1(c) by removing “§ 700.1(e)(1)” and adding in its place “§ 700.2”.

### PART 712—CREDIT UNION SERVICE ORGANIZATIONS (CUSOs)

■ 24. The authority citation for part 712 continues to read as follows:

**Authority:** 12 U.S.C. 1756, 1757(5)(D) and (7)(I), 1766, 1782, 1784, 1785, and 1786.

#### § 712.2 [Amended]

■ 25. Amend § 712.2 by removing paragraph (d)(1) and redesignating paragraphs (d)(2) and (d)(3) as paragraphs (d)(1) and (d)(2), respectively.

■ 26. Revise part 716 to read as follows:

### PART 716—PRIVACY OF CONSUMER FINANCIAL INFORMATION

**Authority:** 15 U.S.C. 6801 et seq., 12 U.S.C. 1751 et seq.

#### § 716.1 Cross reference.

The rules formerly at 12 CFR part 716 have been republished by the Consumer Financial Protection Bureau at 12 CFR part 1016, “Privacy of Consumer Financial Information (Regulation P)”.

### PART 723—MEMBER BUSINESS LOANS

■ 27. The authority citation for part 723 continues to read as follows:

**Authority:** 12 U.S.C. 1756, 1757, 1757A, 1766, 1785, 1789.

#### § 723.11 [Amended]

■ 28. Amend the introductory text to § 723.11 by removing the words “Office of Corporate Credit Unions” wherever they appear and adding in their place the words “Office of National Examinations and Supervision”.

#### § 723.12 [Amended]

29. Amend the introductory text to § 723.12 by removing the words “Office of Corporate Credit Unions” and adding in their place the words “Office of National Examinations and Supervision”.

#### § 723.13 [Amended]

■ 30. Amend § 723.13 by removing the words “Office of Corporate Credit Unions” and adding in their place the words “Office of National Examinations and Supervision”.

#### § 723.16 [Amended]

■ 31. Amend § 723.16(b)(3) by removing the words “Office of Corporate Credit Unions” wherever they appear and adding in their place the words “Office of National Examinations and Supervision”.

### PART 725—NATIONAL CREDIT UNION ADMINISTRATION CENTRAL LIQUIDITY FACILITY

■ 32. The authority citation for part 725 continues to read as follows:

**Authority:** Secs. 301–307 Federal Credit Union Act, 92 Stat. 3719–3722 (12 U.S.C. 1795–1795f).

#### § 725.2 [Amended]

■ 33. Amend § 725.2 by removing paragraph (n) and redesignating paragraphs (o) through (q) as paragraphs (n) through (p).

### PART 741—REQUIREMENTS FOR INSURANCE

■ 34. The authority citation for part 741 continues to read as follows:

**Authority:** 12 U.S.C. 1757, 1766(a), 1781–1790, and 1790d; 31 U.S.C. 3717.

#### § 741.6 [Amended]

■ 35. Amend § 741.6(a) introductory text by removing the words “Office of Corporate Credit Unions” and adding in their place the words “Office of National Examinations and Supervision”.

#### § 741.8 [Amended]

■ 36. Amend § 741.8(c) by removing the words “Office of Corporate Credit Unions” and adding in their place the words “Office of National Examinations and Supervision”.

#### § 741.220 [Amended]

■ 37. Amend § 741.220 by removing the words “part 716 of this chapter” and adding in their place the words “part 1016 of this title (Regulation P)”.

#### § 741.223 [Amended]

■ 38. Amend § 741.223 by removing the words “part 761 of this chapter” and adding in their place the words “part 1007 of this title (Regulation G)”.

### PART 745—SHARE INSURANCE AND APPENDIX

■ 39. The authority citation for part 745 continues to read as follows:

**Authority:** 12 U.S.C. 1752(5), 1757, 1765, 1766, 1781, 1782, 1787, 1789; title V, Pub. L. 109–351; 120 Stat. 1966.

#### § 745.1 [Amended]

■ 40. Amend § 745.1 by removing paragraph (f).

#### § 745.14 [Removed]

■ 41. Remove § 745.14.

### PART 748—SECURITY PROGRAM, REPORT OF SUSPECTED CRIMES, SUSPICIOUS TRANSACTIONS, CATASTROPHIC ACTS AND BANK SECRECY ACT COMPLIANCE

■ 42. The authority citation for part 748 continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1786(q); 15 U.S.C. 6801–6809; 31 U.S.C. 5311 and 5318.

#### Appendix A to Part 748 [Amended]

■ 43. Amend appendix A to part 748 as follows:

■ a. In paragraph I.B.1., remove the words “12 CFR part 716” and add in their place the words “12 CFR part 1016”.

■ b. In paragraph I.B.2.c., remove the words “12 CFR 716.3(n)” and add in their place the words “12 CFR 1016.3(n)”.

■ c. In paragraph I.B.2.d., remove the words “12 CFR 716.3(q)” and add in their place the words “12 CFR 1016.3(p)”.

■ d. In paragraph II.B., remove the words “12 CFR 716.1(a)(3)” and add in their place the words “12 CFR 1016.1(a)(3)”.

### PART 750—GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS

■ 44. The authority citation for part 750 continues to read as follows:

**Authority:** 12 U.S.C. 1786(t).

#### § 750.1 [Amended]

■ 45. Amend § 750.1 by removing paragraph (a) and redesignating paragraphs (b) through (k) as paragraphs (a) through (j).

#### § 750.6 [Amended]

■ 46. Amend § 750.6(a) by removing the words “Office of Corporate Credit Unions” and adding in their place the words “Office of National Examinations and Supervision”.

■ 47. Revise part 761 to read as follows:

**PART 761—REGISTRATION OF RESIDENTIAL MORTGAGE LOAN ORIGINATORS**

Authority: 12 U.S.C. 1751 *et seq.* and 5101 *et seq.*

**§ 761.1 Cross reference.**

The rules formerly at 12 CFR part 761 have been republished by the Consumer Financial Protection Bureau at 12 CFR part 1007, “S.A.F.E. Mortgage Licensing Act—Federal Registration of Residential

Mortgage Loan Originators (Regulation G)”.

**PART 790—DESCRIPTION OF NCUA; REQUESTS FOR AGENCY ACTION**

■ 48. The authority citation for part 790 continues to read as follows:

Authority: 12 U.S.C. 1766, 1789, 1795f.

■ 49. Amend § 790.2 as follows:

■ a. Revise the section heading.

■ b. Remove paragraph (b)(14) and redesignate paragraphs (b)(15) through

(b)(17) as paragraphs (b)(14) through (b)(16).

■ c. Revise paragraph (c).

The revisions read as follows:

**§ 790.2 Central and field office organization.**

\* \* \* \* \*

(c) *Field Offices.* NCUA’s programs are conducted through Regional Offices and the Office of National Examinations and Supervision.

(1) *Regional Offices.* (i) The NCUA has five Regional Offices:

Region No.	Area within region	Office address
I .....	Connecticut, Maine, Massachusetts, Michigan, New Hampshire, New York, Rhode Island, Vermont.	9 Washington Square, Washington Avenue Extension, Albany, NY 12205–5512.
II .....	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, California.	1900 Duke St., Suite 300, Alexandria, VA 22314–3498.
III .....	Alabama, Florida, Georgia, Indiana, Kentucky, Mississippi, North Carolina, Ohio, Puerto Rico, South Carolina, Tennessee, Virgin Islands.	7000 Central Parkway, Suite 1600, Atlanta, GA 30328–4598.
IV .....	Arkansas, Illinois, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, Wisconsin.	4807 Spicewood Springs Road, Suite 5200, Austin, TX 78759–8490.
V .....	Alaska, Arizona, American Samoa, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.	1230 W. Washington Street, Suite 301, Tempe, AZ 85281.

(ii) A Regional Director is in charge of each Regional Office. The Regional Director manages NCUA’s programs in the Region assigned in accordance with established policies. A Regional Director’s duties include: directing examination and supervision programs to promote and assure safety and soundness; assisting other offices in chartering and insurance issues; managing regional resources to meet program objectives in the most economical and practical manner; and maintaining good public relations with public, private, and governmental organizations, federal credit union officials, credit union organizations, and other groups which have an interest in credit union matters in the assigned region. The Regional Director maintains liaison and cooperation with other regional offices of federal departments and agencies, state agencies, city and county officials, and other governmental units that affect credit unions. The Regional Director is aided by an Associate Regional Director for Operations and Associate Regional Director for Programs. Staff working in the Regional Office report to the Associate Regional Director for Operations. Each region is divided into examiner districts, each assigned to a Supervisory Credit Union Examiner; groups of examiners are directed by a Supervisory Credit Union Examiner, each of whom in turn reports directly to the Associate Regional Director for Programs.

(2) *Office of National Examination and Supervision.* Similar to a Regional Director, the Director of the Office of National Examinations and Supervision manages NCUA’s program for corporate credit unions and oversees the activities of natural person credit unions with assets totaling \$10 billion or more, in accordance with established policies. The Director’s duties include directing chartering, insurance, examination, and supervision programs to promote and assure safety and soundness; managing office resources to meet program objectives in the most economical and practical manner; and maintaining good public relations with public, private and governmental organizations, credit union officials, credit union organizations, and other groups which have an interest in credit union matters in the assigned office. The Director maintains liaison and cooperation with other regional offices of federal departments and agencies, state agencies, city and county officials, and other governmental units that affect credit unions. The Director is aided by a Deputy Director. Staff working in the office report to the Director of Supervision, who in turn reports to the Deputy Director. Field staff is divided into examiner districts, each assigned to a National Field Supervisor; groups of examiners are directed by a National Field Supervisor, each of whom in turn reports directly to the Deputy Director.

**PART 791—RULES OF NCUA BOARD PROCEDURE; PROMULGATION OF NCUA RULES AND REGULATIONS; PUBLIC OBSERVATION OF NCUA BOARD MEETINGS**

■ 50. The authority citation for part 791 continues to read as follows:

Authority: 12 U.S.C. 1766, 1789 and 5 U.S.C. 552b.

**§ 791.10 [Amended]**

■ 51. Amend § 791.10 by removing paragraph (b) and redesignating paragraphs (c) through (g) as paragraphs (b) through (f).

**PART 792—REQUESTS FOR INFORMATION UNDER THE FREEDOM OF INFORMATION ACT AND PRIVACY ACT, AND BY SUBPOENA; SECURITY PROCEDURES FOR CLASSIFIED INFORMATION**

■ 52. The authority citation for part 792 continues to read as follows:

Authority: 5 U.S.C. 301, 552, 552a, 552b; 12 U.S.C. 1752a(d), 1766, 1789, 1795f; E.O. 12600, 52 FR 23781, 3 CFR, 1987 Comp., p. 235; E.O. 12958, 60 FR 19825, 3 CFR, 1995 Comp., p.333.

**§ 792.50 [Amended]**

■ 53. Amend § 792.50 by removing the words “Chief Financial Officer” wherever they appear and adding in their place the words “Executive Director”.

■ 54. Revise §§ 792.51(a) through (d) to read as follows:

**§ 792.51 Procedures.**

(a) *Mandatory review.* All declassification requests made by a member of the public, by a government employee or by an agency shall be handled by the Executive Director or the Executive Director's designee. Under no circumstances shall the Executive Director refuse to confirm the existence or nonexistence of a document under the Freedom of Information Act or the mandatory review provisions of other applicable law, unless the fact of its existence or nonexistence would itself be classifiable under applicable law. Although NCUA has no authority to classify or declassify information, it occasionally handles information classified by another agency. The Executive Director shall refer all declassification requests to the agency that originally classified the information. The Executive Director or the Executive Director's designee shall notify the requesting person or agency that the request has been referred to the originating agency and that all further inquiries and appeals must be made directly to the other agency.

(b) *Handling and safeguarding national security information.* All information classified "Top Secret," "Secret," and "Confidential" shall be delivered to the Executive Director or the Executive Director's designee immediately upon receipt. The Executive Director shall advise those who may come into possession of such information of the name of the current designee. If the Executive Director is unavailable, the designee shall lock the documents, unopened, in the combination safe located in the secure facility of the Office of the Executive Director. If the Executive Director or the Executive Director's designee is unavailable to receive such documents, the documents shall be delivered in accordance with NCUA's mail handling procedures for classified information. Under no circumstances shall classified materials that cannot be delivered to the Executive Director or the Executive Director's designee be stored in a location other than in the safe designated by the Executive Director for information classified "Top Secret," "Secret," and "Confidential."

(c) *Storage.* All classified documents shall be stored in the safe designated by the Executive Director for information classified "Top Secret," "Secret," and "Confidential." The combination shall be known only to the Executive Director and the Executive Director's designee holding the proper security clearance.

(d) *Employee education.* (1) The Executive Director shall send a memo to every NCUA employee who:

- (i) Has a security clearance; and
- (ii) May handle classified materials.

(2) This memo shall describe NCUA procedures for handling, reproducing and storing classified documents. The Executive Director shall require each such employee to review applicable Executive Orders on the classification of national security information.

\* \* \* \* \*

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**BUREAU OF CONSUMER FINANCIAL PROTECTION**

**12 CFR Part 1026**

[Docket No. CFPB-2013-0013]

RIN 3170-AA37

**Loan Originator Compensation Requirements Under the Truth in Lending Act (Regulation Z); Prohibition on Financing Credit Insurance Premiums; Delay of Effective Date**

**AGENCY:** Bureau of Consumer Financial Protection.

**ACTION:** Final rule; Delay of Effective Date.

**SUMMARY:** The Bureau of Consumer Financial Protection (Bureau) is issuing a final rule delaying the June 1, 2013, effective date of a prohibition on creditors financing credit insurance premiums in connection with certain consumer credit transactions secured by a dwelling. The prohibition was adopted in the Loan Originator Compensation Requirements under the Truth in Lending Act (Regulation Z) Final Rule, issued on January 20, 2013, and published in the **Federal Register** on February 15, 2013. The Bureau is delaying the effective date until January 10, 2014, to permit the Bureau to clarify, before the provision takes effect, its applicability to transactions other than those in which a lump-sum premium is added to the loan amount at closing. The new effective date will be January 10, 2014, but the Bureau will solicit comment on the appropriate effective date at the same time that it seeks comment on clarifications. (The Bureau is not contemplating extending the effective date beyond January 10, 2014.)

**DATES:** The final rule published February 15, 2013, at 78 FR 11280, is effective January 10, 2014, with the exception of the amendments to 12 CFR 1026.36(h) and (i), which are effective June 1, 2013. This rule delays the

effective date of the amendment to 12 CFR 1026.36(i) until January 10, 2014.

**FOR FURTHER INFORMATION CONTACT:** Richard Arculin or Daniel Brown, Counsels, Office of Regulations, at (202) 435-7700.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

In January 2013, the Bureau issued several final rules concerning mortgage markets in the United States, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).<sup>1</sup> One of these final rules was the Loan Originator Compensation Requirements Under the Truth in Lending Act (Regulation Z) (Final Rule).<sup>2</sup> The Final Rule implemented Dodd-Frank Act amendments to the Truth in Lending Act (TILA) addressing loan originator compensation; qualifications of, and registration or licensing of loan originators; compliance procedures for depository institutions; mandatory arbitration; and the financing of single-premium credit insurance. With regard to the financing of single-premium credit insurance, the Final Rule included a provision implementing the Dodd-Frank Act section 1414 amendment that added new TILA section 129C(d), 15 U.S.C. 1639c(d). That provision prohibits creditors from financing premiums or fees for certain credit insurance products in connection with certain consumer credit transactions secured by a dwelling. The Bureau implemented this provision by adopting § 1026.36(i).

*A. Title XIV Rulemaking Effective Dates*

In enacting the Dodd-Frank Act, Congress significantly amended the statutory requirements governing a number of mortgage practices, including loan originator compensation. Under the statute, most of these new requirements would have taken effect automatically on January 21, 2013, if the Bureau had not issued implementing regulations by that date.<sup>3</sup> To avoid uncertainty and potential disruption in the national mortgage market at a time of economic vulnerability, the Bureau issued several final rules (Title XIV Rulemakings) in January 2013, including the Final Rule issued on January 20, 2013, to implement these new statutory provisions and provide for an orderly transition. To allow the mortgage industry sufficient time to comply with the new rules, the Bureau established January 10, 2014—one year after

<sup>1</sup> Public Law 111-203, 124 Stat. 1376 (2010).

<sup>2</sup> 78 FR 11279 (Feb. 15, 2013).

<sup>3</sup> Dodd-Frank Act section 1400(c), 15 U.S.C. 1601 note.