



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-281803

January 14, 1999

The Honorable Phil Gramm
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable Jim Leach
Chairman
The Honorable John J. LaFalce
Ranking Minority Member
Committee on Banking and Financial Services
House of Representatives

Subject: National Credit Union Administration: Organization and Operations of
Federal Credit Unions

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the National Credit Union Administration (NCUA), entitled "Organization and Operations of Federal Credit Unions" (IRPS 99-1). We received the rule on December 23, 1998. It was published in the Federal Register as a final rule on December 30, 1998. 63 Fed. Reg. 71998.

The final rule implements the changes made to the NCUA's chartering and field of membership authority by the Credit Union Membership Access Act (Pub. L. 105-219, August 7, 1998). Section 205 of the act requires that any regulation issued by the NCUA which defines or amends the definition of the terms "immediate family or household" and "well-defined local community, neighborhood, or rural district" shall be treated as a major rule for purposes of chapter 8 of title 5, United States Code.

Enclosed is our assessment of the NCUA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the NCUA complied with the applicable requirements.

If you have any questions about this report, please contact James Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the National Credit Union Administration is Thomas McCool, Director, Financial Institutions and Markets Issues. Mr. McCool can be reached at (202) 512-8678.

Robert P. Murphy
General Counsel

Enclosure

cc: Mr. Robert M. Fenner
General Counsel
National Credit Union Administration

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY
THE NATIONAL CREDIT UNION ADMINISTRATION
ENTITLED
"ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS"
(IRPS 99-1)

(i) Cost-benefit analysis

The NCUA was not required to and did not prepare a cost-benefit analysis of the final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The NCUA has certified that the final rule will not have a significant economic impact on a substantial number of small entities (credit unions with under \$1 million in assets).

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The final rule does not impose an intergovernmental or private sector mandate, as defined in title II, of more than \$100 million in a year under the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was issued utilizing the notice and comment procedures contained at 5 U.S.C. § 553.

On September 14, 1998, the NCUA published a Notice of Proposed Rulemaking in the Federal Register. NCUA received 369 comments in response to the notice and the comments are summarized and responded to in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule contains an information collection which is subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA).

NCUA has submitted the necessary information required under PRA and is awaiting OMB approval and the issuance of an OMB control number.

Statutory authorization for the rule

The final rule is issued pursuant to the authority contained in 12 U.S.C. §§ 1752(5), 1755, 1756, 1757, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1787, and 1789.

Executive Order No. 12866

The final rule was not reviewed by the Office of Management and Budget under Executive Order 12866 since it was not determined to be a significant or an economically significant regulatory action.