

FARM CREDIT ADMINISTRATION

12 CFR Parts 611, 619, 620, 621, 624, 627, and 630

RIN 3052-AC11

Organization; Definitions; Disclosure to Shareholders; Accounting and Reporting Requirements; Regulatory Accounting Practices; Title IV Conservators, Receivers, and Voluntary Liquidations; and Disclosure to Investors in System-Wide and Consolidated Bank Debt Obligations of the Farm Credit System; Effective Date

AGENCY: Farm Credit Administration.

ACTION: Notice of effective date.

SUMMARY: The Farm Credit Administration (FCA) published a final rule under parts 611, 619, 620, 621, 624, 627, and 630 on December 20, 2006 (71 FR 76111). This final rule amends our disclosure and reporting regulations for Farm Credit System (System) institutions by clarifying and enhancing existing disclosures and reporting to System shareholders and investors. In accordance with 12 U.S.C. 2252, the effective date of the final rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulations is February 16, 2007.

EFFECTIVE DATES: The regulation amending 12 CFR parts 611, 619, 620, 621, 624, 627, and 630, published on December 20, 2006 (71 FR 76111) is effective February 16, 2007.

FOR FURTHER INFORMATION CONTACT:

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(12 U.S.C. 2252(a)(9) and (10))

Dated: February 16, 2007.

Roland E. Smith,

Secretary Farm Credit Administration Board.
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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133-AD30

General Lending Maturity Limit and Other Financial Services

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: NCUA is amending its rules to implement amendments to the Federal Credit Union Act (FCU Act) made by the Financial Services Regulatory Relief Act of 2006 (Reg Relief Act). The final rule revises the maturity limit in the general lending rule and permits federal credit unions to provide certain, limited financial services to nonmembers within their fields of membership.

DATES: This final rule is effective March 26, 2007.

FOR FURTHER INFORMATION CONTACT: Moissette Green, Staff Attorney, Office of General Counsel, at the above address or telephone: (703) 518-6540.

SUPPLEMENTARY INFORMATION:

A. Background

In October 2006, Congress enacted the Reg Relief Act, which amended the general lending maturity limit for federal credit unions (FCUs) from 12 years to 15 years in § 107(5) of the FCU Act as well as § 107(12) of the FCU Act to permit FCUs to provide certain financial services to persons within their fields of membership. Pub. L. 109-351, §§ 502-503, 120 Stat. 1966 (2006). On October 19, 2006, the NCUA Board issued an interim final rule to implement these provisions of the Reg Relief Act. 71 FR 62875 (October 27, 2006). Even though the provisions of the interim final rule became effective on October 27, 2006, the Board issued the interim final rule with a 60-day comment period.

B. The Final Rule

NCUA received eight comments on the interim final rule from federal credit unions and trade associations. All the commenters supported the interim final rule, and some provided additional comments. Two commenters encouraged NCUA to seek a longer maturity limit for loans on investment property. While the NCUA Board generally supports greater flexibility for permissible terms for investment loans, the suggestion is beyond the scope of NCUA's statutory authority and the interim rulemaking.

Four commenters requested clarification on whether FCUs may charge a fee for selling negotiable checks, travelers checks, money orders, and other similar money transfer instruments under § 701.30(a). Two commenters pointed out that § 701.30(b) specifically permits FCUs to charge a fee for cashing negotiable or money transfer instruments.

FCUs may charge a fee for "selling" money transfer instruments, and specifically providing that FCUs may charge a fee for "cashing" money transfer instruments does not limit that authority. The Reg Relief Act does not restrict the terms under which an FCU can sell negotiable instruments to a person within its field of membership, and the legislative history does not indicate that Congress intended the provision to have any special meaning. Therefore, the common understanding and meaning of the term "sell" in § 503 of the Reg Relief Act and § 701.30(a) of the rule apply. Selling, by definition, involves the transfer of goods or rendering services for a price. *See, Random House Unabridged Dictionary* 1739 (2d ed. 1993). Contrary to selling a money transfer instrument, "cashing" an instrument involves the exchange of the instrument for money in the amount reflected on the face of the instrument, and the term does not necessarily mean a fee for the service is permitted. FCUs have always had authority to cash a check drawn on a member's account regardless of the payee's membership status as this is a service to the member-drawer; the Reg Relief Act permits FCUs to cash a check payable to a nonmember within their field of membership even if the drawer is not a member. The specific provision in the Reg Relief Act and the rule to charge a fee for this exchange permits FCUs to collect a payment for providing the check cashing service. Additionally, FCUs are not required to charge persons for financial services under section 503 of the Reg Relief Act or the rule, but "may" sell or charge a fee for them.

Three commenters suggested NCUA define the term "electronic funds transfer." The commenters stated the interim final rule was unclear on whether the term "electronic funds transfer" had the same definition as in Regulation E, 12 CFR part 205, or the term "transmittal of funds" under the anti-money laundering regulations, 31 CFR part 103. The Board believes it is unnecessary to define "electronic funds transfer" in this rule for two reasons. First, the term "electronic funds transfer" is defined in the Electronic Funds Transfer Act and Regulation E. 15 U.S.C. 1693a(6); 12 CFR 205.3. Second,