

NOTICE OF INTENDED ACTION TO AMEND ACUA REGULATIONS

The Administrator of the Alabama Credit Union Administration (ACUA), having obtained unanimous approval of the ACUA Board to promulgate amended regulations, hereby gives notice of the intended action to amend the following existing regulations to provide regulatory relief to state chartered credit unions:

Section 2. Loans. Allowance for Loan and Lease Losses (for institutions greater than \$10 million in assets, must use GAAP; for institutions with \$10 million or less in assets, reserve required for expected loss); (Current regulation requires all credit unions regardless of size to comply with GAAP);

Section 4. Limits on Loans and Investments in Credit Union Service Organizations (deletes the requirement for an annual audit if the CUSO is consolidated into the audited financials of the credit union or a state chartered credit union's investment in the CUSO is less than 2% of the credit union's shares, deposits and undivided earnings; and confirms the authority of a CUSO to conduct foreclosure and repossession services);

Section 7. Filing of Group Return Form 990 with the Internal Revenue Service (deletes requirement); and

Section 11. Credit Union Ownership of Fixed Assets (deletes the limit on ownership of fixed assets).

A copy of the regulations, as amended is available on ACUA's website at www.acua.alabama.gov and is also on file with the Alabama Secretary of State's Office.

Interested persons may present applicable data, views or arguments concerning the amended regulations being promulgated, in writing, by correspondence to the following address:

Alabama Credit Union Administration
Attention: Sarah H. Moore, Administrator
100 North Union Street, Suite 650
Montgomery, Alabama 36104

The deadline for comment is April 15, 2017, and thereafter, the amended regulations will become effective.

Dated this the 28th day of February, 2017.

A handwritten signature in cursive script that reads "Sarah H. Moore". The signature is written in black ink and is positioned above a horizontal line.

Sarah H. Moore
Administrator, Alabama Credit Union Administration