



February 5, 1997

Joseph P. O'Neill
Commissioner of Financial Institutions
Government of Puerto Rico
Centro Europa, Bldg.
1492 Ponce De Leon Ave., Suite 600
San Juan, Puerto Rico 00907-4127

RECIBIDO
COMISIONADO DE
INSTITUCIONES FINANCIERAS
AREA DE DIRECCION
97 FEB 10 PM 4:23

Dear Mr. O'Neill:

We appreciate your signing the Consumer Protection Agreement, and we have enclosed a copy of the agreement with the appropriate signatures.

Concerning the agreed-upon training, NCUA Supervision Analyst Joe W. Ostrowidzki is developing a presentation for members of your staff and PROSAD-COOP relating to our Automated Integrated Regulatory Examination System (AIRES). He is coordinating this training with Joe Garcia and José Lazaro of PROSAD-COOP. We understand Joe and José will communicate the training details with the appropriate members of your staff.

In addition, an NCUA employee will communicate with your staff shortly to coordinate HMDA and TISA training. We expect to complete these training programs within the 90 day time-frame agreed upon.

If you have any questions, please contact our division of supervision at (770) 396-4042.

Sincerely,

H. Allen Carver
Regional Director

97 FEB 10 PM 2:01

Enclosure

cc: Carlos E. Beck, III, Executive President
Corporación de Seguro de Acciones y Depósitos de
Cooperativas de Ahorro y Crédito "PROSAD-COOP"
P.O. Box 195449
San Juan, PR 00919-5449



**CONSUMER PROTECTION AGREEMENT
BETWEEN NATIONAL CREDIT UNION ADMINISTRATION (NCUA)
AND COMMONWEALTH OF PUERTO RICO
COMMISSIONER OF FINANCIAL INSTITUTIONS (CFI)**

NCUA has enforcement authority for several consumer compliance regulations for all credit unions. Fulfillment of the consumer compliance enforcement responsibilities for Commonwealth-chartered credit unions shall be completed through agreement with CFI. Through this agreement CFI agrees to review, at all credit union examinations, compliance with the following consumer protection regulations:

- Home Mortgage Disclosure Act (HMDA) - HUD Reg. C¹
- Truth in Savings Act (TISA)²

The following represents CFI's responsibilities regarding procedures for determining consumer compliance in credit unions:

1. The CFI examiner shall complete the applicable checklists for both HMDA and TISA during the examination. The CFI shall maintain these checklists in CFI files for a period of at least 36 months from the date of the examination.
2. CFI examiners shall document any identified problems/deficiencies in the examination report and the actions the credit union plans to initiate to resolve the situation.
3. CFI shall forward the consumer compliance portion of all examinations, including completed checklists, corrective agreements and similar documents, to the NCUA Region III (Atlanta) office on a flow basis.

The following represents NCUA's responsibilities regarding consumer compliance for Commonwealth-chartered credit unions:

1. NCUA shall provide initial and ongoing training to CFI examiner staff regarding each of the consumer compliance statutes for which compliance is required by Commonwealth-chartered credit unions.
2. NCUA shall provide appropriate checklists, forms, reference material and periodic updates regarding each regulation for which compliance is examined.

¹ Note: Effective 1/1/97, HMDA applies only if:

- a. a home or branch office is in a Metropolitan Statistical Area (MSA).
- b. The credit union is at least \$28 million in assets as of December 31 of the previous year.
- c. The credit union originated at least one first-lien home purchase, or refinance, on a one-to-four family dwelling in the previous calendar year.

² Note: Applies to all credit unions with assets in excess of \$2 million.




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1. NCUA shall provide advice and guidance to CFI staff concerning questions and issues related to consumer compliance issues.
2. In the event a compliance problem is identified and the credit union is unable or unwilling to take corrective action, NCUA shall:
 - Review the situation
 - Determine what further action, if any, is needed.
 - Notify CFI and the credit union of the determination

The designated agency directors or their respective successors shall agree in writing to any future changes to this agreement.

This agreement shall remain in effect until either party cancels it upon 30 days prior written notice.



Joseph P. O'Neill
Commissioner of Financial Institutions
Commonwealth of Puerto Rico



H. Allen Carver
Regional Director
National Credit Union Administration

January 13, 1997
Date

February 4, 1997
Date

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Mr. Joseph P. O'Neill

February 5, 1997

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cc: Joe Garcia, Assistant Vice President
Corporación de Seguro de Acciones y Depósitos de
Cooperativas de Ahorro y Crédito "PROSAD-COOP"
P.O. Box 195449
San Juan, PR 00919-5449

José Lazaro, Assistant Vice President
Corporación de Seguro de Acciones y Depósitos de
Cooperativas de Ahorro y Crédito "PROSAD-COOP"
P.O. Box 195449
San Juan, PR 00919-5449

Office of E&I
General Counsel
ARDO Hornbrook
ARDP McCollum
SE Bolduc
SA Ostrowidzki

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DIRECTOR
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November 13, 1996

Joseph P. O'Neill
Commissioner of Financial Institutions
Commonwealth of PR
Centro Europa
1492 Ponce de Leon Ave., Ste 600
San Juan, PR 00907-4127

Dear Mr. O'Neill:

This is to confirm Chairman D'Amours' and our meeting with you at 2:00pm on December 5, 1996 in your office.

As you discussed with Associate Regional Director Timothy P. McCollum this morning, one of the items for discussion is closure on our Consumer Protection Agreement, copies of which we sent you in March, May, and July of this year, and another copy of which is enclosed. The Agreement simply provides for your assistance in monitoring credit unions' compliance with the Home Mortgage Disclosure Act and the Truth in Savings Act. In exchange, we will provide training to your examiners on these statutes and on examination steps to take, and we will be able to move forward with training on the AIREs examination program.

We look forward to meeting with you. If you have any questions, please let us know.

Sincerely,

H. Allen Carver
Regional Director

DOS/TPM:sl
SSIC 3330-PR
Enclosure

cc: ARDO McCollum
ARDP Hornbrook
SE Bolduc
EX Velasco

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