

## List of Issues

### A. Possible elements for the rule

1. Authority for rule and reason for the rule
  - a. Ability of DCU Director to request credit union report on OREO
2. Authority for credit union
3. Definitions
4. Limitations for holding OREO
5. Board approved OREO policy and board committee on OREO
6. Accounting
  - Acquisition
  - Holding
  - Disposition (i.e. Sale)
7. Ability of DCU Director to request reports
8. Safe and sound practices for OREO
  - Valuations
  - Analysis prior to acquisition, i.e. decision-making on whether to charge-off loan or acquire RE
  - Acquisition (see Texas assessment elements)
  - Holding
  - Disposition

### B. Possible exam guidance to examiners

1. OREO subledger accounting
2. Compliance to OREO policy
3. Compliance with 12 C.F.R. 741.203 and 722 (Appraisals)
4. Internal controls (no one individual should have total control over the acquisition, booking, and disposition of OREO)
5. Classification and reserves
6. Evidence of good faith effort to dispose of property