

NCUA's Deregulation Project

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Introduction

Introduction



- Executive Order #14192

- Unleashing Prosperity through Deregulation
  - Directs federal agencies to review, and revise, as appropriate, their regulations
  - NCUA looking to change or remove regulations determined to be obsolete, duplicative, or overly burdensome

Introduction

Round One	Corporate credit unions, supervisory committee audits, safeguarding member information, and unauthorized access to member information
Round Two	Surety and guarantor requirements, limits on loans to other credit unions, catastrophic reporting, and accuracy of advertising and notice of insured status
Round Three	Nondiscrimination requirements, service to underserved areas, community chartering policies, and federal corporate credit union chartering
Round Four	Public unit and non-member shares, termination of excess share insurance coverage, maximum borrowing authority, and disclosure of share insurance

Introduction

Round Five	Conversion of credit union to mutual savings bank, voluntary termination or conversion of insured status, organization and operation of federal credit unions
Round Six	Training for new board members, loan commission, eligible obligations, refund of interest, credit union service contracts and statutory lien definitions
Round Seven	Records preservation program
Round Eight	Third-party servicing of indirect vehicle loans

Introduction

Round Nine	Chartering and field of membership
Round Ten	Bank conversions and mergers
Round Eleven	Depository institution management interlocks and requirements for insurance

Detailed Analysis

Round One

- Issued: December 11, 2025
- Comment Period: Closed February 9, 2026
- Links to Proposals:
  - Corporate Credit Unions
  - Supervisory Committee Audits
  - Safeguarding Member Information
  - Unauthorized Access to Member Information

Round One

- Supervisory Committee Audits
  - Clarifies that the biennial requirement to verify member accounts may be done against any credit union records
  - Eliminates the requirement that the credit union's supervisory committee sign an engagement letter with an external auditor

Round One

- Safeguarding Member Information
  - Removes Appendix A (guidance for protecting the security, confidentiality, and integrity of member information) from Part 748
  - Will instead be published as guidance outside of the eCFR
- Unauthorized Access to Member Information
  - Removes Appendix B (response program to address unauthorized access to member information) from Part 748
  - Will instead be published as guidance outside of the eCFR

Round Two

- Issued: December 29, 2025
- Comment Period: Closed February 27, 2026
- Links to Proposals:
  - Surety and Guarantor Requirements
  - Limits on Loans to Other Credit Unions
  - Catastrophic Reporting
  - Accuracy of Advertising and Notice of Insured Status

Round Two

- Surety and Guarantor Requirements
  - Removes the requirement that a credit union acting as a surety or guarantor have a segregated deposit account that covers the full amount of the liability
- Limits on Loans to Other Credit Unions
  - Eliminates the requirement for an FCU to establish written policies and procedures for making loans to other credit unions

Round Two

- Catastrophic Reporting
  - Extends the time within which a credit union must report a catastrophic event to the NCUA from 5 business days to 15 calendar days
- Accuracy of Advertising and Notice of Insured Status
  - Eliminates the requirement that credit union advertisements contain the official advertising statement (e.g., federally insured by NCUA)

Round Three

- Issued: January 14, 2026
- Comment Period: Closed March 16, 2026
- Links to Proposals:
  - Nondiscrimination Requirements
  - Service to Underserved Areas
  - Community Chartering Policies
  - Federal Corporate Credit Union Chartering

Round Three

- Nondiscrimination Requirements
  - Eliminates Part 701.31 as that section merely restates a credit union's compliance obligations under the Fair Housing Act
- Service to Underserved Areas
  - Rescinds Interpretive Rule and Policy Statement (IRPS) 08-2 which outlines operational policies for serving underserved areas. These requirements are already found in Chapter 3 of the NCUA's Chartering Manual

Round Three

- Community Chartering Policies
  - Rescinds IRPS 10-1 which outlines the NCUA's community chartering policies. The policies are already set forth in the agency's Chartering Manual
- Federal Corporate Credit Union Chartering
  - Rescinds IRPS 11-2 which contains the procedures and timelines for chartering a federal corporate credit union. This information is already a part of the NCUA's Chartering and Field of Membership Manual

Round Four

- Issued: January 28, 2026
- Comment Period: Closed March 30, 2026
- Links to Proposals:
  - Public Unit and Non-Member Shares
  - Termination of Excess Share Insurance Coverage
  - Maximum Borrowing Authority
  - Disclosure of Share Insurance

Round Four

- Public Unit and Non-Member Shares
  - Eliminates the requirement that an FCU must adopt a written plan before accepting public unit or non-member deposits that exceed 70% of its paid-in and unimpaired capital and surplus
- Termination of Excess Share Insurance Coverage
  - Eliminates the requirement that a credit union provide advance notice of termination of excess share insurance coverage

Round Four

- Maximum Borrowing Authority
  - Eliminates the borrowing limit for federally insured state-chartered credit unions. The borrowing limit for FCU's remains in place
- Disclosure of Share Insurance
  - Eliminates the requirement that non-member accountholders be notified in writing that their deposits are not insured by the National Credit Union Share Insurance Fund (NCUSIF)

Round Five

- Issued: February 11, 2026
- Comment Period: Closed April 13, 2026
- Links to Proposals:
  - Conversion of Credit Union to Mutual Savings Bank
  - Voluntary Termination or Conversion of Insured Status
  - Organization and Operation of Federal Credit Unions

Round Five

- Conversion to Mutual Savings Bank
  - Eliminates the type size requirement for required disclosures to the credit union's membership, removes the requirement to publish notice of the conversion in a newspaper of general circulation
- Voluntary Termination or Conversion of Insured Status
  - Removes the overly prescriptive formatting requirements associated with share insurance communications to members

Round Five

- Organization and Operation of Federal Credit Unions
  - Eliminates a 2006 Interpretive Ruling and Policy Statement (IRPS) which limited the addition of underserved areas to multiple common bond credit unions. These requirements are already well established in the Federal Credit Union Act and the NCUA's Chartering Manual

Round Six

- Issued: February 25, 2026
- Comment Period: Closed April 27, 2026
- Links to Proposals:
  - Training for New Board Members
  - Loan Commission
  - Eligible Obligations
  - Refund of Interest
  - Credit Union Service Contracts
  - Statutory Lien Definitions

Round Six

- Training for New Board Members
  - Eliminates the requirement that a newly elected (or appointed) board member receive training within six months
- Loan Commission
  - Defines the metrics that should be considered to determine overall financial performance before paying a loan commission to an employee or senior management official of a federally insured credit union

Round Six

- Eligible Obligations
  - Eliminates the prescriptive requirements currently imposed on FCUs when it comes to the purchase, sale, or pledge of eligible obligations
- Refund of Interest
  - Eliminates this provision from the eCFR as it is already a power well provided for under Section 113(9) of the Federal Credit Union Act

Round Six

- Credit Union Service Contracts
  - Eliminates the requirement that an FCU enter into a written contract regarding fixed assets or for activities/services that relate to the daily operation of the credit union
- Statutory Lien Definitions
  - Removes obvious language from the eCFR which states that an FCUs authority to impose a statutory lien may be superseded by conflicting state and/or federal law

Round Seven

- Issued: March 11, 2026
- Comment Period: Closed May 11, 2026
- Links to Proposals:
  - Records Preservation Program

Round Seven

- Records Preservation Program
  - Removes Appendix A (record retention guidelines) from Part 749
  - Removes Appendix B (guidance on preparing for a catastrophic act) from Part 749
  - Defines the terms *vital member services* and *vital records*
  - Renames Part 749 as the Vital Records Preservation Program

Round Seven

- Records Preservation Program (continued)
  - Clarifies that the credit union may retain vital records in any format, including electronically
  - Clarifies that older versions of vital records may be destroyed once their current versions are stored
  - Provides that a credit union using a third-party service provider to assist with its records preservation program must maintain effective oversight over that service provider

Round Eight

- Issued: March 25, 2026
- Comment Period: Closed May 26, 2026
- Links to Proposals:
  - Third-Party Servicing of Indirect Vehicle Loans

Round Eight

- Third-Party Servicing of Indirect Vehicle Loans
  - Eliminates the current limitation on the number of indirect auto loans (serviced by a third-party servicer) that a federally insured credit union may acquire

Round Nine

- Issued: April 8, 2026
- Comment Period: Closes June 8, 2026
- Links to Proposals:
  - Chartering and Field of Membership

Round Nine

- Chartering and Field of Membership
  - Currently, associations based on a client-customer relationship do not meet the requirements for an associational common bond charter. The proposal eliminates this automatic denial and requires a more holistic evaluation of the group's structure, the scope and degree of its activities, and other factors

Round Ten

- Issued: April 22, 2026
- Comment Period: Closes June 22, 2026
- Links to Proposals:
  - Bank Conversions and Mergers

Round Ten

- Bank Conversions and Mergers
  - Removes the prescriptive requirements for clear and conspicuous disclosures
  - Removes the requirement to publish advance notice of the merger in a newspaper of general circulation
  - Streamlines the prescriptive content requirements for the Notice of Intent to Merge and Request for NCUA Authorization

Round Ten

- Bank Conversions and Mergers (continued)
  - Removes the prescriptive formatting requirements for the credit union's disclosure to members who have a right to vote concerning the merger
  - Removes an unnecessary statement which says that the disclosure to members be in plain language
  - Removes guidance found in 12 CFR 708a.312 regarding voting as these elements are not required by law and/or regulation

Round Eleven

- Issued: May 7, 2026
- Comment Period: Closes July 6, 2026
- Links to Proposals:
  - Depository Institution Management Interlocks
  - Requirements for Insurance

Round Eleven

- Depository Institution Management Interlocks
  - Currently, a management official at a federally insured credit union with total assets exceeding $2.5 billion cannot also serve as a management official at a different federally insured credit union with total assets exceeding $1.5 billion
  - The proposed rule raises both asset thresholds to $10 billion

Round Eleven

- Requirements for Insurance
  - Eliminates numerous provisions within the eCFR that merely point federally insured state-chartered credit unions (FISCUs) to their compliance responsibilities codified elsewhere (e.g., cross references)
  - The proposed rule simplifies the regulatory text but does NOT alter the share insurance compliance responsibilities of FISCUs

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Questions?

Thank You!!!



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