

interest holders. In short, the AFIDA regulation requires reporting by the foreign person who is the direct owner or lessee of the land and any foreign person who may be one or two tiers or levels above the direct owner or lessee in a chain of ownership or corporate relationship.

Discussion and Identification of Topics for Comment

USDA is aware of requirement gaps in the current AFIDA regulations and is considering how it may address those gaps in a manner that balances national security interests with other interests in U.S. agricultural land. Specifically, USDA notes multiple exclusions in the definitions of “agricultural land” and “any interest” that may remove particular interests (for example, leases less than 10 years) from reporting requirements. Filers are only required to identify their land interest through a legal description and identification of acreage. In some instances, legal descriptions may be narratives referencing landmarks or natural features of the land with limited utility to those not actually present on the land. USDA does not receive or have sufficiently detailed information to create a geospatial map with property boundaries.

While AFIDA does require a report on foreign persons who hold “significant interest or substantial interest” over direct interest holders, the definition of “significant interest or substantial interest” is challenging to understand and apply, sets a high threshold (10 and 50 percent), and treats countries with longstanding ties to the United States the same as countries designated as foreign adversaries by the Secretary of Commerce in 15 CFR 791.4(a). Furthermore, existing regulations only require filing by the foreign person who is the direct owner or lessee of the land and any foreign person who may be one or two tiers or levels above the direct owner or lessee in a chain of ownership or corporate relationship. USDA may affirmatively seek additional information from other interest holders named in reports, but it does not have the authority to request any additional detailed corporate structures or ownership information. Specifically, USDA lacks a mechanism to require additional detailed information about foreign interests throughout an ownership chain or in a complex corporate structure with multiple holding companies. USDA’s information deficit extends to the identity, country, and ownership interest of the ultimate foreign owner if that person is more

than two or possibly three steps removed from the direct interest holder.

USDA’s policy goal is to obtain valuable, comprehensive, and verifiable information about interests in U.S. agricultural land held by foreign persons. USDA is further interested in streamlining and strengthening AFIDA regulations to improve process efficiency, address national security interests, and provide timely, accurate, and detailed data for CFIUS agencies’ use.

The following topics represent particular areas in which USDA is interested in receiving comments. However, USDA also invites commenters to address additional issues involving AFIDA, particularly as they relate to national security interests. Commenters are encouraged to be as specific as possible. Please include the rationale underlying any suggested changes.

- **Topic 1:** Identification of foreign persons who are required to file reports using the FSA-153 form. Questions to consider when responding to this topic include the following:

- The definitions of “agricultural land,” “any interest,” and “foreign person” determine the universe of required filers. Are the definitions currently sufficient or are changes recommended?

- Should USDA continue to treat foreign persons from countries designated as foreign adversaries the same as all other foreign persons with respect to the interest in agricultural land that triggers the filing requirement, or should different standards apply to foreign persons from countries designated as foreign adversaries?

- **Topic 2:** Information the filer is required to provide about the agricultural land. Questions to consider when responding to this topic include the following:

- Should filers be required to provide any additional information or documentation than the list of items in section 781.3(e)? If so, what additional information should USDA require and why?

- How can USDA best obtain a correct, verifiable description or geospatial map of the agricultural land that is broadly usable by a range of audiences?

- **Topic 3:** Information the filer is required to provide about other foreign persons with indirect interest in the agricultural land. Questions to consider when responding to this topic include the following:

- What information should USDA require about interest holders who are multiple steps removed from the direct

interest holder or part of complex organizational structures?

- How can USDA best ensure that the information it receives is complete and verifiable?

Brooke Rollins,

Secretary of Agriculture.

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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 701

RIN 3133-AF72

Limits on Loans to Other Credit Unions

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule.

SUMMARY: The NCUA Board (Board) seeks comment on a proposed rule to remove the regulations related to approval and policies on making loans to other credit unions. While this provision will no longer be codified in regulation, Federal Credit Unions would remain subject to statutory requirements related to making loans to credit unions. Federally insured state-chartered credit unions would remain subject to any other applicable NCUA or state law or regulation.

DATES: Comments must be received by February 27, 2026.

ADDRESSES: Comments may be submitted in one of the following ways. (*Please send comments by one method only*):

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. The docket number for this proposed rule is NCUA-2025-1435. Follow the “Submit a comment” instructions. If you are reading this document on [federalregister.gov](https://www.federalregister.gov), you may use the green “SUBMIT A PUBLIC COMMENT” button beneath this rulemaking’s title to submit a comment to the [regulations.gov](https://www.regulations.gov) docket. A plain language summary of the proposed rule is also available on the docket website.

- **Mail:** Address to Melane Conyers-Ausbrooks, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

- **Hand Delivery/Courier:** Same as mailing address.

Mailed and hand-delivered comments must be received by the close of the comment period.

Public inspection: Please follow the search instructions on <https://www.regulations.gov> to view the public

comments. Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received and will not be deleted, modified, or redacted. Comments may be submitted anonymously. If you are unable to access public comments on the internet, you may contact the NCUA for alternative access by calling (703) 518–6540 or emailing OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Ariel Pereira, Senior Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

On February 23, 2021, the Board published a final rule amending various parts of the NCUA's regulations to permit low-income designated credit unions, complex credit unions, and new credit unions to issue subordinated debt for purposes of regulatory capital treatment.¹ Among other changes, the final rule established a new § 701.25, governing loans by Federal Credit Unions (FCUs) to other credit unions. The regulation establishes an aggregate limit on such loans of 25 percent of the lending FCU's paid-in and unimpaired capital and surplus. It also sets limits for loans to a single credit union borrower. The regulation sets forth specific eligibility requirements and aggregate limits for FCUs that invest in the Subordinated Debt of other credit unions. The requirements of § 701.25 are made applicable to federally insured state-chartered credit unions (FISCUs) through § 741.227.²

In addition to the limits discussed above, § 701.25 imposes documentation requirements on FCU boards of directors, and through § 741.227 on FISCU boards as well. Specifically, paragraph (b) of § 701.25 requires the board of directors to approve all loans to other credit unions and to establish written policies for managing the associated credit risk. The policies must specify the limits on the aggregate principal amount of loans the FICU can make to all other credit unions and the aggregate principal amount of loans the FICU can make to any single credit union. Such limits specific to the FICU

may not exceed the generally applicable limits established in § 701.25.

B. Legal Authority

The Board is issuing this proposed rule pursuant to its authority under the Federal Credit Union Act (FCU Act).³ Under the FCU Act, the NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs. The FCU Act grants the NCUA a broad mandate to issue regulations governing both FCUs and FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe regulations for the administration of the FCU Act.⁴ Section 209 of the FCU Act is a plenary grant of regulatory authority to the NCUA to issue regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁵ The FCU Act also includes an express grant of authority for the Board to subject federally chartered central, or corporate, credit unions to such rules, regulations, and orders as the Board deems appropriate.⁶

II. Proposed Rule

The Board proposes to remove § 701.25(b). Upon reconsideration, the Board believes that the regulation is unnecessary and overly prescriptive. The FCU Act already requires a FCU's board of directors to approve all loans to other credit unions.⁷ Accordingly, for FCUs, § 701.25(b) is largely redundant of an existing statutory requirement. Moreover, FICU boards are in the best position to determine whether formal approval policies are necessary for such loans, consistent with the number, size, and risks associated with the FICU's lending practices. Removing this regulation will provide FICUs with greater flexibility. The Board emphasizes that while the proposed rule would no longer require FICU boards to adopt written policies regarding aggregate limits on loans to other credit unions, FICUs remain subject to the limits and other requirements regarding such loans set forth in the other provisions of § 701.25. If the proposed rule is adopted, FISCUs would refer to state law to determine whether their boards must approve loans to other credit unions.

³ 12 U.S.C. 1751 *et seq.*

⁴ 12 U.S.C. 1766(a).

⁵ 12 U.S.C. 1789.

⁶ 12 U.S.C. 1766(a).

⁷ 12 U.S.C. 1757(5)(C).

III. Regulatory Procedures

A. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002 (44 U.S.C. 3501 note) (commonly known as *regulations.gov*). The Act, under its terms, applies to notices of proposed rulemaking and does not expressly include other types of documents that the Board publishes voluntarily for public comment, such as notices and interim-final rules that request comment despite invoking “good cause” to forgo such notice and public procedure. The Board, however, has elected to address the Act's requirement in these types of documents in the interests of administrative consistency and transparency. The Board seeks comment on a proposed rule to remove the regulations related to approval and policies on making loans to other credit unions. While this provision will no longer be codified in regulation, Federal Credit Unions would remain subject to statutory requirements related to making loans to credit unions. Federally insured state-chartered credit unions would remain subject to any other applicable NCUA or state law or regulation.

The proposal and the required summary can be found at <https://www.regulations.gov>.

B. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), as amended by Executive Order 14215, a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁸ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.⁹ This proposed rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OMB has determined that this proposed rule is not a “significant regulatory action” as

⁸ 58 FR 51735 (Oct. 4, 1993).

⁹ 76 FR 3821 (Jan. 21, 2011).

¹ 86 FR 11060 (Feb. 23, 2021).

² FCUs and FISCUs are collectively referred to as federally insured credit unions, or FICUs.

defined in section 3(f)(1) of Executive Order 12866. Further, this proposed rule to remove the regulations requiring that a FICU board of directors adopt minimum approval and written policy standards regarding loans to other credit unions is consistent with Executive Order 13563.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁰ This proposed rule is expected to be a deregulatory action under Executive Order 14192.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act¹¹ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹² For purposes of this analysis, the NCUA considers small credit unions to be those having under \$100 million in assets.¹³ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

To the extent that the proposed rule would have any economic impacts, they will be deregulatory in nature. The proposed rule would remove the requirement that FICU boards adopt minimum approval and written policy standards regarding loans to other credit unions. While these documentation requirements might impose some economic costs on FICUs, they are unlikely to be significant. Accordingly, any impacts associated with their rescission are also unlikely to impose a significant economic burden.

Accordingly, the NCUA certifies the proposed rule would not have a significant economic impact on a substantial number of small credit unions.

D. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid Office of Management and Budget control number. The PRA applies to rulemakings in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information-collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. The information collection requirements contained in Part 701.25(b) are approved by OMB under OMB Control Number 3133–0207 with a current expiration date of October 31, 2025.

The proposed rule would revise the following information collection requirement(s): Removal of the Policies for loans to credit unions—12 CFR 701.25(b).

Upon the publication of the final rule in the **Federal Register**, as applicable, the NCUA will submit a request to OMB to revise OMB Control Number 3133–0207. The proposed rescission of these regulations, along with the information collection requirement(s) contained therein and the revision of OMB Control Number 3133–0207, would reduce public information collection burden by an estimated 1,650 annual burden hours.

If you want to comment on the proposed rescission of the information-collection requirements that would result from this proposed rule, please send your comments and suggestions on this proposed action as previously described in the **DATES** and **ADDRESSES** sections.

E. Executive Order 13132 on Federalism

Executive Order 13132 encourages certain regulatory agencies to consider the impact of their actions on state and local interests. The NCUA, an agency as defined in 44 U.S.C. 3502(5), complies with the executive order to adhere to fundamental federalism principles. This proposed rule applies to FCUs and to FISCUs. The rulemaking may, therefore, have some direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. However, to the extent the rule has any such effects, it will be to relieve FISCUs of regulatory burden. The proposed rule would

remove the requirement that FICU boards adopt minimum approval and written policy standards regarding loans to other credit unions. The NCUA welcomes comments on ways to eliminate, or at least minimize, any potential impact in this area.

F. Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this proposed rule would not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁴ The proposed regulatory requirements are exclusively concerned with the adoption of written policies by FICUs regarding loans to other credit unions. The potential positive effect on family well-being, including financial well-being, is, at most, indirect.

List of Subjects in 12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds.

By the National Credit Union Administration Board, this 19th day of December, 2025.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board proposes to amend 12 CFR part 701, as follows:

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS.

■ 1. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 42 U.S.C. 4311–4312.

§ 701.25 [Amended]

■ 2. In § 701.25 remove paragraph (b) and redesignate paragraph (c) as paragraph (b).

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¹⁰ 90 FR 9065 (Feb. 6, 2025).

¹¹ 5 U.S.C. 601 *et seq.*

¹² 5 U.S.C. 605(b).

¹³ 80 FR 57512 (Sept. 24, 2015).

¹⁴ Public Law 105–277, 112 Stat. 2681 (1998).