

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Chapter VII

[NCUA–2024–0014]

#### Regulatory Publication and Voluntary Review as Contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Notification of regulatory review; request for comments.

**SUMMARY:** As contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996, the NCUA is voluntarily reviewing agency regulations to identify rules that are outdated, unnecessary, or unduly burdensome. The NCUA divided its regulations into 10 categories and is publishing several **Federal Register** documents at regular intervals, each requesting comment on multiple categories of regulations. This third and final document requests comment on regulations in the categories of “Corporate Credit Unions,” “Directors, Officers and Employees,” “Anti-Money Laundering and Bank Secrecy Act,” “Rules of Procedure,” and “Safety and Soundness.”

**DATES:** Comments must be received by June 1, 2026.

**ADDRESSES:** You may submit written comments by any of the following methods (Please send comments by one method only):

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. The docket number for this document is NCUA–2024–0014. Follow the instructions for submitting comments. A plain language summary of the document 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.

*Public inspection:* You may view all public comments on the Federal eRulemaking Portal at <https://www.regulations.gov>, as submitted, except for those we cannot post for technical reasons. The NCUA will not edit or remove any identifying or contact information from the public comments submitted. 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](mailto:OGCMail@ncua.gov).

**FOR FURTHER INFORMATION CONTACT:** Pamela Yu, Special Counsel to the General Counsel, Office of General Counsel, at the above address or telephone (703) 518–6540.

#### SUPPLEMENTARY INFORMATION:

##### I. Introduction

Congress enacted section 2222 of the EGRPRA<sup>1</sup> to reduce regulatory burden imposed upon insured depository institutions consistent with safety and soundness, to promote consistency between the Federal banking agencies’ regulations, and to support consumer protection. The statute requires that not less frequently than once every 10 years, the Federal Financial Institutions Examination Council (FFIEC),<sup>2</sup> along with the Federal banking agencies,<sup>3</sup> conduct a review of their regulations to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions. In conducting this review, the FFIEC or the appropriate Federal banking agencies (Office of the

<sup>1</sup> 12 U.S.C. 3311.

<sup>2</sup> The FFIEC is an interagency body empowered to prescribe uniform principles, standards, and report forms for the Federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of financial institutions. The FFIEC does not issue regulations.

<sup>3</sup> The FFIEC is composed of the OCC, FRB, FDIC, NCUA, Consumer Financial Protection Bureau (CFPB), and State Liaison Committee. Of these, only the OCC, FRB, and FDIC are statutorily required to undertake the EGRPRA review. The NCUA Board elected to participate in the first and second EGRPRA reviews and again has elected to participate in this review process. Consistent with its approach during the first and second EGRPRA reviews, the NCUA is issuing documents and requests for comment on its rules separately. The CFPB is required to review its significant rules and publish a report of its review no later than 5 years after they take effect. See 12 U.S.C. 5512(d). This process is separate from the EGRPRA process.

Comptroller of the Currency [OCC], Board of Governors of the Federal Reserve System [FRB], and Federal Deposit Insurance Corporation [FDIC]; herein Agencies<sup>4</sup>) shall (a) categorize their regulations by type and (b) at regular intervals, provide notice and solicit public comment on categories of regulations, requesting commenters to identify areas of regulations that are outdated, unnecessary, or unduly burdensome.<sup>5</sup>

The NCUA is not statutorily required to undertake the EGRPRA review because the NCUA is not an “appropriate Federal banking agency” as specified in EGRPRA. In keeping with the spirit of the law, however, the NCUA Board (Board) has once again elected to voluntarily participate in the decennial review process. Accordingly, the NCUA has participated along with the Agencies in the planning process but has developed its own regulatory categories that are comparable with those developed by the Agencies. Because of the unique circumstances of federally insured credit unions and their members, the Board is issuing a separate document from the Agencies. The NCUA’s document is consistent and comparable with the Agencies’ document, except on issues that are unique to credit unions.

EGRPRA also requires the FFIEC or the Agencies to publish in the **Federal Register** a summary of the comments received, identifying significant issues raised and commenting on these issues. It also directs the Agencies to eliminate unnecessary regulations to the extent that such action is appropriate. Finally, the statute requires the FFIEC to submit to Congress a report that summarizes any significant issues raised in the public comments and the relative merits

<sup>4</sup> The Office of Thrift Supervision (OTS) was still in existence at the time EGRPRA was enacted and was included in the listing of Agencies. Since that time, the OTS has been eliminated and its responsibilities have passed to the Agencies and the CFPB.

<sup>5</sup> Federally insured credit unions are also subject to regulations that are not reviewed under this decennial review process because they were not promulgated by the NCUA. Examples include rules for which rulemaking authority was transferred to the CFPB and anti-money laundering and Bank Secrecy Act regulations issued by the Department of the Treasury’s Financial Crimes Enforcement Network, among others. If, during this decennial review process, the NCUA receives a comment about a regulation that is not subject to NCUA review, it will forward that comment to the appropriate agency.

of those issues. The report also must include an analysis of whether the Agencies are able to address the regulatory burdens associated with such issues or whether these burdens must be addressed by legislative action. The FFIEC report submitted to Congress following the prior EGRPRA reviews included a section discussing the Agencies and banking sector issues and a separate section devoted to the NCUA and credit union issues. It is likely that the FFIEC will follow a similar approach in this third EGRPRA review and report process.

Per the objectives of the decennial review, the Board asks the public to identify areas of the NCUA's regulations that are outdated, unnecessary, or unduly burdensome. While the Board initially planned to issue four documents for comment at regular intervals over the course of approximately 2 years, for efficiency, the Board has decided to issue this third and final document for comment on the remaining categories of regulations. The decennial review supplements and complements the reviews of regulations that the NCUA conducts under other laws and its internal policies.<sup>6</sup>

## II. The Decennial Review's Targeted Focus

The decennial regulatory review provides a significant opportunity for the public and the Board to consider groups of related regulations and identify possibilities for streamlining and improvement. The decennial review's overall focus on the totality of regulations will offer a new perspective in identifying opportunities to update and even streamline regulations. For example, the decennial review may facilitate the identification of regulatory requirements that are no longer consistent with the way credit union business is conducted and that, therefore, might be eliminated. Of course, regulatory updates must be compatible with ensuring the continued safety and soundness of federally insured credit unions and the financial system as a whole and with the consumer financial protections.

Any resulting regulatory modifications from the NCUA's decennial review must also be consistent with the NCUA's statutory mandates, many of which require the issuance of regulations. EGRPRA recognizes that effective burden

reduction may require statutory changes. Accordingly, as part of this review, the Board is specifically soliciting comment from the public on, and reviewing the comments and regulations carefully for, the relationship among burden reduction, regulatory requirements, policy objectives, and statutory mandates. The Board also seeks quantitative data about the impact of rules, where available.

The Board views the approach of considering the relationship of regulatory and statutory change, in concert with EGRPRA's provisions calling for grouping regulations by type, to provide the potential for particularly effective burden reduction. The Board anticipates the decennial review will also contribute to its ongoing efforts to update and make regulations more efficient. Since 1987, under a formally adopted NCUA policy, the Board reviews each of its regulations at least once every 3 years with a view toward eliminating, simplifying, or otherwise easing the burden of each regulation.<sup>7</sup> Additionally, in 2025, the Board began a major initiative to review, and revise, as appropriate, all its regulations. This review follows Executive Order 14192, *Unleashing Prosperity Through Deregulation* (January 31, 2025). Further, the Board considers regulatory requirements each time it proposes, adopts, or amends a rule. For example, under the Paperwork Reduction Act of 1995,<sup>8</sup> the Regulatory Flexibility Act,<sup>9</sup> and internal agency policies, the NCUA assesses each rulemaking with respect to the burdens the rule might impose. The Board also invites the public to comment on proposed rules as generally required by the Administrative Procedure Act.<sup>10</sup>

The Board is particularly sensitive to the impact of agency rules on small institutions. The Board currently defines "small entity" as a federally insured credit union with less than \$100 million in assets.<sup>11</sup> The Board is cognizant that each new or amended regulation has the potential for requiring significant expenditures of time, effort, and resources to achieve compliance, and that this burden can be particularly challenging for institutions of smaller asset size, with fewer resources available.

## III. The Board's Review Process

EGRPRA contemplates the categorization of regulations by "type." During its prior decennial reviews, the Board developed and published for comment 10 categories of the NCUA's regulations, including some that had been issued jointly with the Agencies. The Board believes these prior categories worked well for the purpose of presenting a framework for the review and uses the same categories in this third review.<sup>12</sup> The categories are:

- Applications and Reporting;
- Powers and Activities;
- Agency Programs;
- Capital;
- Consumer Protection;<sup>13</sup>
- Corporate Credit Unions;
- Directors, Officers and Employees;
- Anti-Money Laundering and Bank Secrecy Act;
- Rules of Procedure; and
- Safety and Soundness.

Any rules adopted for the first time since the last decennial review was completed have been incorporated into the appropriate category.<sup>14</sup>

Although there are other possible ways of categorizing its rules, the Board continues to maintain that these 10 categories are logical groupings that are not so broad such that the number of regulations presented in any one category would overwhelm potential commenters. In the Board's view, these categories also reflect recognized areas of stakeholder interest and specialization or are particularly critical to the health of the credit union system. As was noted during the previous reviews, some regulations, such as lending, pertain to more than one category and are included in all applicable categories.

As with the prior decennial reviews, the Board remains convinced that publishing the NCUA's rules for public comment adjacently, but separately, from the Agencies is the most effective method for achieving EGRPRA's burden reduction goals for federally insured credit unions. In addition to not being

<sup>12</sup> Consistent with EGRPRA's focus on reducing burden on insured depository institutions, the Board has not included internal, organizational, or operational regulations in this review. These regulations impose minimal, if any, burden on federally insured credit unions.

<sup>13</sup> The Board is seeking comment only on consumer protection regulations for which it retains rulemaking authority for insured credit unions under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (2010) (Dodd-Frank Act).

<sup>14</sup> Commenters should note, in this respect, that for new regulations that have only recently gone into effect, some passage of time may be necessary before the effect associated with the regulatory requirements can be fully and properly understood.

<sup>6</sup> Interpretive Ruling and Policy Statement (IRPS) 87-2, 52 FR 35231 (Sept. 8, 1987) as amended by IRPS 03-2, 68 FR 32127 (May 29, 2003) (Reflecting the NCUA's commitment to "periodically update, clarify and simplify existing regulations and eliminate redundant and unnecessary provisions.").

<sup>7</sup> IRPS 87-2, 52 FR 35231 (Sept. 8, 1987) as amended by IRPS 03-2, 68 FR 32127 (May 29, 2003).

<sup>8</sup> 44 U.S.C. 3501-3521.

<sup>9</sup> 5 U.S.C. 610.

<sup>10</sup> 5 U.S.C. 551-559.

<sup>11</sup> NCUA IRPS 15-1, 80 FR 57512 (Sept. 24, 2015).

statutorily required to undertake EGRPRA and owing to differences in the credit union system as compared to the banking system, there is not a direct, category by category, correlation between the NCUA's rules and those of the Agencies. For example, credit union membership, credit union service organizations, and corporate credit unions are all unique to credit union operations. Similarly, certain categories identified by the Agencies in their review process have limited or no applicability in the credit union sector, such as community reinvestment, international operations, and securities. The categories developed by the Board and the Agencies, respectively, reflect these differences. The Board intends to maintain comparability with the Agencies' documents to the extent there is overlap or similarity in the issues and the categories.

At regular intervals, the Board is publishing several **Federal Register** documents, each addressing one or more categories of rules. Each **Federal Register** document will have a 90-day comment period. This staggered approach will provide stakeholders with sufficient time to focus in on discrete issues and provide comments to the Board.

On May 23, 2024, the Board published the first document addressing the following categories of regulations: Applications and Reporting and Powers and Activities.<sup>15</sup> On July 10, 2025, the Board published the second document addressing the categories of Agency Programs, Capital, and Consumer Protection.<sup>16</sup> This third notice and final document addresses the remaining categories of regulations:

- Corporate Credit Unions;
- Directors, Officers and Employees;
- Anti-Money Laundering and Bank Secrecy Act;
- Rules of Procedure; and
- Safety and Soundness.

The Board invites the public to identify outdated, unnecessary, or unduly burdensome regulatory requirements imposed on federally insured credit unions in these five categories.

The Board has prepared a chart to assist the public's understanding of the organization of its review. The chart, set forth at section V.A. below, presents the five categories of regulations on which the NCUA is requesting recommendations in this document. The five categories are shown in the left column. In the middle column are the subject matters that fall within the

categories and in the far-right column are the regulatory citations.

After the conclusion of the comment period for each decennial document published in the **Federal Register**, the Board will review the comments it has received and decide whether further action is appropriate with respect to the categories of regulations included in that document. The NCUA and the Agencies will consult and coordinate with each other and expect generally to make this determination jointly, as appropriate, in the case of rules that have been issued on an interagency basis. Similarly, as appropriate, the NCUA and the Agencies will undertake any rulemaking to amend or repeal those rules on an interagency basis. For rules issued by the NCUA, the Board will review the comments received and independently determine whether amendments to or repeal of its rules are appropriate.

#### **IV. Request for Recommendations About Five Categories of Regulations: Corporate Credit Unions; Directors, Officers and Employees; and Anti-Money Laundering and Bank Secrecy Act; Rules of Procedure; and Safety and Soundness**

The Board seeks public comment on regulations within the final five categories—Corporate Credit Unions; Directors, Officers and Employees; Anti-Money Laundering and Bank Secrecy Act; Rules of Procedure; and Safety and Soundness—that may impose outdated, unnecessary, or unduly burdensome regulatory requirements on federally insured credit unions. In addition to comments on regulations in these categories generally, the Board is requesting comments on certain specific regulations described below within these categories issued since the last decennial review. The NCUA's review efforts would benefit most by comments that cite specific provisions or language and provide reasons why such provisions should be changed. Suggested alternative provisions or text, where appropriate, would also be helpful. If the implementation of a comment would require modifying a statute that underlies the regulation, the comment should, if possible, identify the needed statutory change. The Board will consider comments submitted anonymously.

##### *Specific Issues for Commenters to Consider*

While all comments related to any aspect of the review are welcome, the Board reiterates the posture adopted during the previous decennial reviews and specifically invites comment on the

following issues as they pertain to the Board's Corporate Credit Unions, Directors, Officers and Employees, Anti-Money Laundering and Bank Secrecy Act, Rules of Procedure, and Safety and Soundness rules addressed in this document. The Board has asked these same questions for each document issued in connection with the decennial process and invites comments on these questions for the categories in the previous documents.

- *Need and purpose of the regulations.*

- *Question 1:* Have there been changes in the financial services industry, consumer behavior, or other circumstances that cause any regulations in these categories to be outdated, unnecessary, or unduly burdensome? If so, please identify the regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.

- *Question 2:* Do any of these regulations impose burdens not required by their underlying statutes? If so, please identify the regulations and indicate how they should be amended.

- *Overarching approaches or flexibilities.*

- *Question 3:* With respect to the regulations in these categories, could the Board use a different regulatory approach to lessen the burden imposed by the regulations and achieve statutory intent?

- *Question 4:* Do any of these rules impose unnecessarily inflexible requirements? If so, please identify the regulations and indicate how they should be amended.

- *Cumulative effects.*

- *Question 5:* Looking at the regulations in a category as a whole, are there any requirements that are redundant, inconsistent, or overlapping in such a way that taken together, impose an unnecessary burden that could potentially be addressed? If so, please identify those regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.

- *Question 6:* Have the NCUA and the Agencies issued similar regulations in the same area that should be considered together as bodies of regulation, when assessing the cumulative effects on an insured credit union? If so, please identify the regulations, why they should be considered together, and any available analyses or data for the Board's consideration.

- *Question 7:* Could any regulations or category of regulation be streamlined or simplified to reduce unduly

<sup>15</sup> 89 FR 45602 (May 23, 2024).

<sup>16</sup> 90 FR 30596 (July 10, 2025).

burdensome or duplicative regulatory requirements?

- *Effect on competition.*

• *Question 8:* Do any of the regulations in these categories create competitive disadvantages for one part of the financial services industry compared to another or for one type of federally insured credit union compared to another? If so, please identify the regulations and indicate how they should be amended.

- *Reporting, recordkeeping, and disclosure requirements.*

• *Question 9:* Do any of the regulations in these categories impose outdated, unnecessary, or unduly burdensome reporting, recordkeeping, or disclosure requirements on federally insured credit unions?

• *Question 10:* Could a federally insured credit union fulfill any of these requirements through new technologies (if they are not already permitted to do so) and experience a burden reduction? If so, please identify the regulations and indicate how they should be amended.

- *Unique characteristics of a type of institution.*

• *Question 11:* Do any of the regulations in these categories impose requirements that are unwarranted by the unique characteristics of a particular type of federally insured credit union? If so, please identify the regulations and indicate how they should be amended.

- *Clarity.*

• *Question 12:* Are the regulations in these categories clear and easy to understand?

• *Question 13:* Are there specific regulations for which clarification is needed? If so, please identify the regulations and indicate how they should be amended.

• *Impact to small insured institutions.* The Board has a particular interest in minimizing burden on small insured credit unions (those with less than \$100 million in assets).

• *Question 14:* Are there regulations in these categories that impose outdated, unnecessary, or unduly burdensome requirements on a substantial number of small institutions?

• *Question 15:* Has the Board issued regulations pursuant to a common statute that, as applied by the NCUA and Agencies, create redundancies or impose inconsistent requirements?

• *Question 16:* Should any of these regulations be amended or repealed to minimize this impact? If so, please identify the regulations and indicate how they should be amended.

• *Question 17:* Have the effects of any regulations in these categories changed over time that now have a significant

economic impact on a substantial number of small institutions? If so, please identify the regulations and indicate how they should be amended. The Board seeks information on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates, or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

- *Scope of rules.*

• *Question 18:* Is the scope of each rule in these categories consistent with the intent of the underlying statute(s)?

• *Question 19:* Could the Board amend the scope of a rule to clarify its applicability or reduce the burden, while remaining faithful to statutory intent? If so, please identify the regulations and indicate how they should be amended.

- *Impact to credit union member-owners.*

• *Question 20:* Are there regulations in these categories that unduly or negatively impact credit union member-owners? If so, please identify the regulations and indicate how they should be amended.

#### *Specific NCUA Regulations Issued Since the Last Decennial Review<sup>17</sup>*

- *Corporate Credit Unions.*

• In September 2015, the Board issued a final rule to exclude Central Liquidity Facility-related bridge loans (CLF-related bridge loans) from the aggregate unsecured lending cap to one borrower applicable to corporate credit unions. Specifically, under the rule, a CLF-related bridge loan that is exempt from that cap is a bridge loan made by a corporate credit union to a natural person credit union where the natural person credit union has been approved for a loan by the CLF and is awaiting funding from the CLF. Additionally, the rule excludes CLF-related bridge loans from the calculation of “net assets” and “net risk weighted assets” for

<sup>17</sup> For the last decennial review, the Board’s third document requesting public comment on the NCUA’s regulations was issued on June 24, 2015, with a comment period that ended on September 22, 2015. See 80 FR 36252 (June 24, 2015). The Board’s fourth and final document requesting public comment on the NCUA’s regulations was issued on December 23, 2015, with a comment period that ended on March 22, 2016. See 80 FR 79953 (December 23, 2015). Accordingly, the Board is currently requesting public comment on the Board’s regulations issued since September 2015, that pertain to Corporate Credit Unions, Directors, Officers and Employees, and Anti-Money Laundering and Bank Secrecy Act, and the Board’s regulations issued since March 2016, that pertain to Rules of Procedure, and Safety and Soundness.

determining minimum capital requirements.

• In November 2017, the Board amended its regulations governing the scope of corporate credit union activities to revise provisions on retained earnings and Tier 1 capital. Specifically, the rule prior definition of “retained earnings” included undivided earnings, regular reserve, reserve for contingencies, supplemental reserves, reserve for leases, and other appropriations from undivided earnings as designated by management or the NCUA. The final rule added “GAAP equity acquired in a merger” to that list. Expressly including equity acquired in a merger as retained earnings and referencing GAAP clarified that this capital is available to cover losses, enhances transparency, and reduce ambiguity. Additionally, the final rule removed the requirement to limit perpetual contributed capital (PCC) counted as Tier 1 capital to the amount of retained earnings. The regulation was also amended to permit a corporate to include in its Tier 1 capital all PCC that is sourced from an entity not covered by federal share insurance.

• A final rule issued in November 2020 updated, clarified, and simplified several provisions of the NCUA’s corporate credit union regulation, including: Permitting a corporate credit union to make a minimal investment in a credit union service organization (CUSO) without the CUSO being classified as a corporate CUSO under the NCUA’s rules; expanding the categories of senior staff positions at member credit unions eligible to serve on a corporate credit union’s board; and amending the minimum experience and independence requirement for a corporate credit union’s enterprise risk management expert.

• Amendments to the corporate credit union regulation in February 2021 updated the definitions in the regulation and made clear that corporate credit unions may purchase subordinated debt instruments issued by natural person credit unions. The final rule also specified the capital treatment of these instruments for corporate credit unions that purchase them.

- *Fidelity Bond and Insurance Coverage for Federally Insured Credit Unions.*

• In July 2019, the Board finalized a rule that amended its regulations regarding fidelity bonds for corporate credit unions and natural person credit unions. The rule strengthened a board of directors’ oversight of a federally insured credit union’s (FICU) fidelity bond coverage; ensured an adequate period to discover and file fidelity bond

claims following a FICU's liquidation; codified a 2017 NCUA Office of General Counsel legal opinion that permitted a natural person credit union's fidelity bond to include coverage for certain CUSOs; and addressed Board approval of bond forms.

- *Cyber Incident Notification Requirements for Federally Insured Credit Unions.* A final rule issued in March 2023 amended Part 748 of the NCUA's regulations to require a FICU that experiences a reportable cyber incident to report the incident to the NCUA as soon as possible and no later than 72 hours after the FICU reasonably believes that it has experienced a reportable cyber incident. Under the rule, a FICU is not required to provide a detailed incident assessment to the NCUA within the 72-hour time frame. The notification requirement was intended to provide an early alert to the NCUA.

- *Investment and Deposit Activities.*
- *Bank Notes.* In March 2016, the Board finalized a rule to amend the maturity requirement for bank notes to be permissible investments for federal credit unions (FCUs) by removing the word "original" from the current requirement that bank notes have "original weighted average maturities of less than 5 years."

- *Derivatives.* A May 2021 final rule amended the NCUA's derivatives rule. The rule modernized the derivatives rule to make it more principles-based, while retaining key safety and soundness components. The changes were intended to provide more flexibility for FCUs to manage interest rate risk through the use of derivatives.

- *Mortgage Servicing Assets.* In December 2021, the NCUA adopted a final rule to permit FCUs to purchase mortgage servicing assets from other FICUs subject to certain requirements. Under the final rule, FCUs with a CAMEL or CAMELS composite rating of 1 or 2 and a CAMEL or CAMELS Management component rating of 1 or 2, may purchase the mortgage servicing rights of loans that the FCU is otherwise empowered to grant, provided these purchases are made in accordance with the FCU's policies and procedures that address the risk of these investments and servicing practices.

- *Safe Harbor.* The Board issued a final rule in June 2017 to amend its regulations regarding the treatment by the Board, as liquidating agent or conservator of a FICU, of financial assets transferred by the credit union in connection with a securitization or a participation. The final rule replaced the NCUA's previous safe harbor for financial assets transferred in

connection with securitizations and participations in which the financial assets were transferred in compliance with the existing regulation, and defined the conditions for safe harbor protection for securitizations and participations for which transfers of financial assets would be made after the final rule became effective.

- *Appeals Procedures.* In October 2017, the Board adopted a final rule to establish procedures governing appeals to the Board. The rule established a uniform procedure to apply to agency regulations that previously had their own embedded appeals provisions. The final rule replaced those prior provisions. The procedures apply in cases in which a decision rendered by a regional director or other program office director is subject to appeal to the Board. The procedures were intended to improve efficiency, consistency, and provide a better understanding of the way in which matters under covered regulations may be appealed to the Board.

- *Supervisory Review Committee; Procedures for Appealing Material Supervisory.*

- *Determinations.* In October 2017, the Board adopted regulatory procedures for appealing material supervisory determinations to the NCUA's Supervisory Review Committee (SRC). These procedures significantly expanded the number of material supervisory determinations appealable to the SRC to include most agency decisions that could significantly affect capital, earnings, operating flexibility, or the nature or level of supervisory oversight of a FICU. The procedures also included a number of safeguards designed to provide FICUs with enhanced due process and promote greater consistency with the practices of the Federal banking agencies.

- *Involuntary Liquidation of Federal Credit Unions and Claims Procedures.*

- The Board amended Part 709 in May 2018 to update and clarify the procedures that apply to claims administration for FICUs that enter involuntary liquidation. Specifically, the final rule amended the payout priority provision by specifying the conditions that claims in the nature of severance must meet to be allowed as provable claims.

- In February 2021, the Board issued 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. The final rule also revised the payout priorities in the involuntary liquidation

rule to account for subordinated debt and grandfathered secondary capital.

- *Real Estate Appraisals.*
- In July 2019, the Board amended the agency's rule requiring real estate appraisals for certain transactions. The final rule was intended to accomplish four objectives: Increasing the threshold below which appraisals are not required for commercial real estate transactions from \$250,000 to \$1,000,000; restructuring the rule to enhance clarity; exempting from the rule certain federally related transactions involving real estate in a rural area; and making conforming amendments to the definitions section.

- In April 2020, the Board amended its rule requiring appraisals for certain residential real-estate related transactions. The final rule increased the threshold level below which appraisals are not required for residential real-estate related transactions from \$250,000 to \$400,000. Instead of an appraisal, and consistent with the requirement for other transactions falling below applicable appraisal thresholds, FICUs are required to obtain written estimates of market value of the real estate collateral consistent with safe and sound practices. For ease of reference, the final rule explicitly incorporated the existing statutory requirement that appraisals be subject to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). The final rule was consistent with a final rule, effective October 9, 2019, issued by the Federal banking agencies.

- The Board in April 2020 also adopted an interim final rule amending its regulations requiring appraisals of real estate for certain transactions. The interim final rule deferred the requirement to obtain an appraisal or written estimate of market value for up to 120 days following the closing of a transaction for certain residential and commercial real estate transactions, excluding transactions for acquisition, development, and construction of real estate. This relief was provided to allow credit unions to expeditiously extend liquidity to creditworthy households and businesses in light of strains on the U.S. economy as a result of COVID-19. The interim final rule was substantially identical to an interim final rule issued by the Federal banking agencies. The interim final rule was adopted as final, without change, in September 2020.

- In August 2024, OCC, FRB, FDIC, NCUA, CFPB, and the Federal Housing Finance Agency adopted a final rule to implement the quality control standards mandated by the Dodd-Frank Wall

Street Reform and Consumer Protection Act for the use of automated valuation models (AVMs) by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer’s principal dwelling. Under the final rule, institutions that engage in certain credit decisions or securitization determinations must adopt policies, practices, procedures, and control systems to ensure that AVMs used in these transactions to determine the value of mortgage collateral adhere to quality control standards designed to ensure a high level of confidence in the estimates produced by AVMs; protect against the manipulation of data; seek to avoid conflicts of interest; require random sample testing and reviews; and comply with applicable nondiscrimination laws.

- *Supervisory Committee Audits and Verifications.* A final rule issued in September 2019 amended the agency’s regulations governing the responsibilities of a FICU to obtain an annual supervisory committee audit of the credit union. The final rule implemented recommendations outlined in the agency’s Regulatory Reform Task Force’s Regulatory Reform Agenda and was intended to provide additional flexibility to FICUs. Specifically, the Board: (1) replaced the Supervisory Committee Guide with a simplified Appendix to Part 715; (2) eliminated two audit types that FICUs seldom used; and (3) eliminated a specific deadline for outside, compensated persons to deliver written audit reports to FICUs.

- *CAMELS Rating System.* In October 2021, the Board updated the NCUA’s supervisory rating system from CAMEL

to CAMELS by adding the “S” (Sensitivity to Market Risk) component to the existing CAMEL rating system and redefining the “L” (Liquidity Risk) component. The “S” component was added to enhance transparency and allow the NCUA and federally insured natural person and corporate credit unions to better distinguish between liquidity risk (“L”) and sensitivity to market risk (“S”). The addition of “S” was also intended to enhance consistency between the supervision of credit unions and financial institutions supervised by the other banking agencies. The effective The final rule was effective April 1, 2022, and the NCUA implemented the addition of the “S” rating component and a redefined “L” rating for examinations and contacts started on or after that date.

- *Capitalization of Interest in Connection with Loan Workouts and Modifications.* A final rule adopted in June 2021 amended the NCUA’s regulations to remove the prohibition on the capitalization of interest in connection with loan workouts and modifications. The final rule also established documentation requirements to help ensure that the addition of unpaid interest to the principal balance of a mortgage loan does not hinder the borrower’s ability to become current on the loan. The rule also made several technical changes to the regulations to improve their clarity and update certain references.

The Board has not identified any rules pertaining to Corporate Credit Unions, Directors, Officers and Employees,<sup>18</sup> Anti-Money Laundering and Bank Secrecy Act, Rules of Procedure, and Safety and Soundness that would have a significant impact on a substantial

number of small entities. However, the Board will consider any public comments submitted through the decennial review process and agency experience to identify regulations it can update that have a significant impact on a substantial number of small federally insured credit unions.<sup>19</sup>

**V. The Board’s Review of Regulations Under the Regulatory Flexibility Act (RFA)**

The Board will use the decennial review to satisfy any potential obligations under section 610 of the RFA.<sup>20</sup> There are no rules within the scope of the review that had a significant economic impact on a substantial number of small entities. Regardless, consistent with the spirit of section 610 of the RFA, for each rule the Board has issued in the last 10 years, the Board invites comment on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule. The purpose of the review will be to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities.

*A. Regulations About Which Comment Is Currently Requested*

Category	Subject	Regulation cite
6. Corporate Credit Unions.	Corporate Credit Unions .....	12 CFR 704.

<sup>18</sup>In December 2024, the Board issued a final rule to further strengthen succession planning efforts for all consumer FICUs. The final rule requires that a FICU board of directors establish a written succession plan that addresses specified positions and contains certain information. In addition, the board of directors is required to regularly review the succession plan. The final rule also requires that newly appointed members of the board of directors have a working familiarity with the succession plan no later than six months after appointment. The final rule followed publication of a July 25, 2024, proposed rule and took into consideration the public comments received on the proposed rule. In response to comments, the Board amended the proposal to provide that a credit union board must review its succession plan no less than every 24 months, as opposed to the annual review that would have been required under the proposed rule. The Board also revised the proposed rule by removing loan officers, credit committee members,

and supervisory committee members from the list of FICU officials that must be covered by the succession plans. In addition, nonsubstantive changes were made to the wording used in the list of covered officials for purposes of clarity. The final rule also streamlined the required contents of the succession plans and no longer requires that deviations from approved succession plans be documented in the FICU board’s meeting minutes. Further, to help ensure that FICUs have the necessary time to develop their succession plans, the Board delayed the effective date of the final rule until January 1, 2026. Because the final rule only recently became effective, and therefore the impact of the rule is not yet clear, the Board is not seeking comment on the final rule in this decennial review.

<sup>19</sup>The review will be consistent with the requirements of a Regulatory Flexibility Act, section 610 review. The Board will determine whether particular rules should be continued without change, amended, or rescinded, consistent with the

objectives of applicable statutes, to minimize any significant economic impact of the rules on a substantial number of small federally insured credit unions.

<sup>20</sup>Section 610 of the Regulatory Flexibility Act, 5 U.S.C. 610, imposes a continuing obligation on agencies to review regulations that may have a significant economic impact upon a substantial number of small entities, within 10 years after a final rulemaking is published. The factors agencies consider in evaluating a rule under 5 U.S.C. 610 are (1) the continued need for the rule; (2) the nature of complaints or comments received concerning the rule from the public; (3) the complexity of the rule; (4) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (5) the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

Category	Subject	Regulation cite
7. Directors, Officers, and Employees.	Loans and lines of credit to officials .....	12 CFR 701.21(d).
	Reimbursement, insurance, and indemnification of officials and employees .....	12 CFR 701.33.
	Benefits for employees of Federal credit unions .....	12 CFR 701.19.
	Management Official Interlocks .....	12 CFR 711.
	Fidelity Bond and Insurance Coverage for Federally Insured Credit Unions .....	12 CFR 713.
	General authorities and duties of Federal credit union directors .....	12 CFR 701.4.
8. Anti-Money Laundering and Bank Secrecy Act. emsp;	Golden Parachute and Indemnification Payments .....	12 CFR 750.
	Filing of reports [of known or suspected crimes or suspicious transactions] .....	12 CFR 748.1.
	Procedures for monitoring Bank Secrecy Act compliance .....	12 CFR 748.2.
9. Rules of Procedure .....	Involuntary Liquidation of Federal Credit Unions and Adjudication of Creditor Claims Involving Federally Insured Credit Unions in Liquidation.	12 CFR 709.
	Voluntary Liquidation .....	12 CFR 710.
10. Safety and Soundness	Uniform Rules of Practice and Procedure .....	12 CFR 747, Subpart A.
	Local Rules of Practice and Procedure .....	12 CFR 747, Subpart B.
	Procedures for Appealing Material Supervisory Determinations .....	12 CFR 746, Subpart A.
	Appeals Procedures That Do Not by Law Require a Board Hearing .....	12 CFR 746, Subpart B.
	Loans to members and lines of credit to members .....	12 CFR 701.21.
	Investments .....	12 CFR 703.
	Supervisory Committee Audits and Verifications .....	12 CFR 715.
	Security program .....	12 CFR 748.0.
	Guidelines for Safeguarding Member Information; Responding to Unauthorized Access to Member Information and Member Notice.	12 CFR 748, Appendix A; 12 CFR 748, Appendix B.
	Records Preservation Program and Appendices—Record Retention Guidelines; Catastrophic Act Preparedness Guidelines.	12 CFR 749.
Appraisals .....	12 CFR 722.	
Examination .....	12 CFR 741.1.	
Liquidity and contingency funding plans .....	12 CFR 741.12.	
Regulations Codified Elsewhere in NCUA’s Regulations as Applying to Federal Credit Unions That Also Apply to Federally Insured State-Chartered Credit Unions.	12 CFR 741, Subpart B.	
Guidance for an Interest Rate Risk Policy and an Effective Program .....	12 CFR 741, Appendix A.	

**VI. Regulatory Procedures**

*Providing Accountability Through Transparency Act of 2023*

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) (Act) 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) (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 documents 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.

As contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996, the NCUA is voluntarily reviewing agency regulations to identify rules that are

outdated, unnecessary, or unduly burdensome. The NCUA divided its regulations into 10 categories and is publishing several **Federal Register** documents at regular intervals, each requesting comment on multiple categories of regulations. This third and final document requests comment on regulations in the categories of “Corporate Credit Unions,” “Directors, Officers and Employees,” “Anti-Money Laundering and Bank Secrecy Act,” “Rules of Procedure,” and “Safety and Soundness.”

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

By the National Credit Union Administration Board.

**Melane Conyers-Ausbrooks,**  
*Secretary of the Board.*

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**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

**[Docket No. FAA-2026-2287; Project Identifier MCAI-2025-01208-E]**

**RIN 2120-AA64**

**Airworthiness Directives; Rolls-Royce Deutschland Ltd & Co KG Engines**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** The FAA proposes to supersede Airworthiness Directive (AD) 2020-06-16, which applies to certain Rolls-Royce Deutschland Ltd & Co KG (RRD) Model RB211 Trent 768-60, 772-60, and 772B-60 engines. AD 2020-06-16 requires initial and repetitive ultrasonic inspections (UIs) of the affected low-pressure compressor (LPC) blades and, depending on the results of the UIs, replacement with a part eligible for installation. Since the FAA issued AD 2020-06-16, RRD issued updated service material providing improvements to the ultrasonic inspection procedures and updated initial inspection compliance times.