

114TH CONGRESS
2D SESSION

H. R. 5419

To amend the Federal Credit Union Act to extend the examination cycle of the National Credit Union Administration to 18 months for certain credit unions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2016

Mr. GUINTA introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Federal Credit Union Act to extend the examination cycle of the National Credit Union Administration to 18 months for certain credit unions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit Union Exam-
5 ination Reform Act of 2016”.

1 **SEC. 2. EXTENSION OF EXAMINATION CYCLE OF THE NA-**
2 **TIONAL CREDIT UNION ADMINISTRATION TO**
3 **18 MONTHS.**

4 (a) FEDERAL CREDIT UNION EXAMINATIONS.—Sec-
5 tion 106 of the Federal Credit Union Act (12 U.S.C.
6 1756) is amended—

7 (1) by striking “Federal credit unions” and in-
8 serting the following:

9 “(a) IN GENERAL.—Federal credit unions”; and

10 (2) by adding at the end the following:

11 “(b) 18-MONTH EXAMINATION CYCLE FOR CERTAIN
12 CREDIT UNIONS.—

13 “(1) IN GENERAL.—An examination of a Fed-
14 eral credit union described under subsection (a) may
15 only be carried out once during each 18-month pe-
16 riod with respect to a Federal credit union that—

17 “(A) has total assets of less than
18 \$1,000,000,000;

19 “(B) is well capitalized, as such term is de-
20 fined under section 216(c)(1);

21 “(C) was found in its most recent exam-
22 ination to be well managed, and its composite
23 rating (under the Uniform Financial Institu-
24 tions Rating System or an equivalent rating
25 under a comparable rating system)—

1 “(i) was a 1, in the case of a Federal
 2 credit union that has total assets of more
 3 than \$200,000,000; or

4 “(ii) was a 1 or a 2, in the case of a
 5 Federal credit union that has total assets
 6 of not more than \$200,000,000; and

7 “(D) is not currently subject to a formal
 8 enforcement proceeding or order by the Admin-
 9 istration.

10 “(2) SAFETY AND SOUNDNESS EXCEPTION.—
 11 Paragraph (1) shall not apply to a Federal credit
 12 union if the Administration determines—

13 “(A) that such credit union should be ex-
 14 amined more often than every 18 months be-
 15 cause of safety and soundness concerns; or

16 “(B) that such credit union has violated
 17 the law.”.

18 (b) INSURED CREDIT UNION EXAMINATIONS.—Sec-
 19 tion 204 of the Federal Credit Union Act (12 U.S.C.
 20 1784) is amended by adding at the end the following:

21 “(h) 18-MONTH EXAMINATION CYCLE FOR CERTAIN
 22 CREDIT UNIONS.—

23 “(1) IN GENERAL.—An examination of an in-
 24 sured credit union described under subsection (a)

1 may only be carried out once during each 18-month
2 period with respect to an insured credit union that—

3 “(A) has total assets of less than
4 \$1,000,000,000;

5 “(B) is well capitalized or adequately cap-
6 italized, as such terms are defined, respectively,
7 under section 216(c)(1);

8 “(C) was found in its most recent exam-
9 ination to be well managed, and its composite
10 rating (under the Uniform Financial Institu-
11 tions Rating System or an equivalent rating
12 under a comparable rating system)—

13 “(i) was a 1, in the case of an insured
14 credit union that has total assets of more
15 than \$200,000,000; or

16 “(ii) was a 1 or a 2, in the case of an
17 insured credit union that has total assets
18 of not more than \$200,000,000; and

19 “(D) is not currently subject to a formal
20 enforcement proceeding or order by the Admin-
21 istration.

22 “(2) SAFETY AND SOUNDNESS EXCEPTION.—
23 Paragraph (1) shall not apply to an insured credit
24 union if the Administration determines—

1 “(A) that such credit union should be ex-
2 amined more often than every 18 months be-
3 cause of safety and soundness concerns; or

4 “(B) that such credit union has violated
5 the law.”.

6 (c) BUDGET SAVINGS REPORT.—Not later than the
7 end of the 180-day period beginning on the date of the
8 enactment of this Act, the National Credit Union Adminis-
9 tration shall issue a report to the Congress analyzing how
10 the amendments made by this section affect the budget
11 of the Administration.

12 (d) RULEMAKING.—Not later than the end of the
13 100-day period beginning on the date of the enactment
14 of this Act, the National Credit Union Administration
15 shall issue regulations to carry out the amendments made
16 by this Act.

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