



## **Regulatory Comment: Summary and Feedback Request**

### **NCUA: RFC on Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) Review**

#### **THE ISSUE:**

Per the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA), the National Credit Union Administration (NCUA) is voluntarily reviewing its regulations to identify those that are outdated, unnecessary, or unduly burdensome to federally insured credit unions. The NCUA has organized its regulations into 10 categories, and over approximately two years, will publish four RFCs on multiple regulatory categories. This [second RFC](#) invites comment on regulations in the “Agency Programs,” “Capital,” and “Consumer Protection” categories.

#### **IMPACT TO CREDIT UNIONS:**

While this is only a request for comment—and therefore will not have any direct compliance implications—it is a good opportunity for credit unions to suggest changes aimed at improving existing regulations or eliminating those that are unnecessary or overly burdensome.

#### **KEY POINTS:**

- As part of this review, the NCUA is seeking input on regulations related to *agency programs*, including the Community Development Revolving Loan Fund, Central Liquidity Facility, and designation of low-income status.
- The NCUA also requests input on regulations related to *capital*, including capital adequacy and adequacy of reserves.

- The last section of the review focuses on regulations related to *consumer protection*, which include a number of regulations, notably those related to share insurance, disclosure of share insurance, fair credit reporting, and truth in savings.

### **ACTION NEEDED: Deadlines and contacts**

Please use the comment link below to respond to America's Credit Unions survey regarding the *EGRPRA Review*. This will help shape the discussion and better address your needs in our comment letter.

- Comments due to America's Credit Unions: September 17, 2025 — [Submit here](#)
- Comments due to NCUA by October 8, 2025
- Questions? Contact [Luke Martone](#), Regulatory Advocacy Senior Counsel
- Agency contact: Pamela Yu (NCUA Special Counsel) 703-518-6540

## **ANALYSIS:**

### **EGRPRA Request for Comments**

EGRPRA requires that at least once every 10 years, the Federal Financial Institutions Examination Council (FFIEC), together with the federal banking agencies, conduct a comprehensive review of their regulations to identify any that are outdated or otherwise unnecessary for insured depository institutions. While the NCUA is not statutorily required to undertake the EGRPRA review, it has voluntarily chosen to engage in the decennial review.

As part of this review, the NCUA is seeking public input on regulations that may be outdated, unnecessary, or unduly burdensome. The NCUA is especially interested in feedback that

addresses the balance between reducing regulatory burden, achieving policy objectives, and fulfilling statutory requirements. The NCUA seeks feedback on the following regulations.

<b>Category</b>	<b>Subject</b>	<b>Citation (12 CFR)</b>
<i>Agency Programs</i>	Community Development Revolving Loan Fund Access	<a href="#">705</a>
	Central Liquidity Facility	<a href="#">725</a>
	Designation of low-income status; receipt of secondary capital accounts by low-income designated credit unions	<a href="#">701.34</a>
<i>Capital</i>	Capital Adequacy	<a href="#">702</a>
	Adequacy of reserves	<a href="#">741.3(a)</a>
<i>Consumer Protection</i>	Nondiscrimination requirements [Fair Housing]	<a href="#">701.31</a>
	Truth in Savings	<a href="#">707</a>
	Loans in Areas Having Special Flood Hazards	<a href="#">760</a>
	Fair Credit Reporting; Duties of Users Consumer Report Regarding Address Discrepancies and Records Disposal	<a href="#">717</a> , <a href="#">Subpart I</a>
	Fair Credit Reporting; Identity Theft Red Flags	<a href="#">717</a> , <a href="#">Subpart J</a>
	Share Insurance	<a href="#">745</a>
	Accuracy of Advertising and Notice of Insured Status	<a href="#">740</a>
	Disclosure of share insurance	<a href="#">741.10</a>
	Notice of termination of excess insurance coverage	<a href="#">741.5</a>

Category	Subject	Citation (12 CFR)
Consumer Protection	Uninsured membership shares	<a href="#">741.9</a>
	Member inspection of credit union books, records, and minutes	<a href="#">701.3</a>

### Relevant Regulations Issued Since Last EGRPRA Review

*Community Development Revolving Loan Fund:* In November 2016, the Board amended the CDRLF regulation to improve clarity, organization, and usability by credit unions, removing duplicative definitions, lifting loan limits, clarifying application procedures, and confirming appeal rights for loans and grants.

*Minority Depository Institution Preservation Program:* In 2010, Congress mandated the preservation of minority depository institutions, leading the Board in 2015 to establish the MDI Preservation Program through IRPS 13-1, aimed at supporting minority ownership in credit unions via proactive outreach and specific eligibility criteria. The Board updated this policy in 2024 to reflect organizational changes, clarify definitions and review processes, and expand guidance on engagement, technical assistance, examinations, grants, and training related to minority depository institutions.

*Risk-Based Capital:* In October 2015, the Board amended its PCA regulations to require credit unions with assets over \$100 million to hold risk-based capital aligned with their risk profiles, aiming to reduce systemic losses to the SIF. The rule restructured capital requirements to be more consistent with other federal regulators and corporate credit unions, eliminating several outdated provisions. Subsequent amendments increased the threshold for “complex” credit unions to \$500 million, exempting more credit unions.

*Transition to the Current Expected Credit Loss Methodology:* In June 2021, the Board issued a final rule to ease credit unions' transition to the CECL accounting method by phasing in the initial adverse impact on regulatory capital for PCA purposes. The rule aligned with other federal banking agencies by mitigating day-one capital consequences while still requiring CECL accounting for reporting. Additionally, credit unions with less than \$10 million in assets were allowed to use reasonable reserve methods instead of GAAP for loan loss charges.

*Capital Planning and Stress Testing:* In July 2015, the Board amended regulations requiring covered credit unions to assess their financial condition through capital planning and undergo annual supervisory stress testing to ensure they maintain sufficient capital under both expected and adverse conditions, helping prevent risks to the SIF. In April 2018, the Board aimed to reduce the burden for credit unions with \$10 billion or more in assets by easing some requirements, allowing them to conduct their own stress tests and incorporate those results into their capital plans for greater efficiency.

*Capital Adequacy: The Complex Credit Union Leverage Ratio:* In December 2021, the Board finalized a rule introducing the CCULR as a simplified capital adequacy measure for credit unions with assets over \$500 million. Eligible credit unions maintaining a minimum nine percent net worth ratio can opt into the CCULR framework, exempting them from calculating the RBC ratio under prior rules. The rule also updated RBC requirements, including treatment of asset securitizations, off-balance sheet exposures, mortgage servicing assets, goodwill, and asset risk weights, effective January 1, 2022.

*Loans in Areas Having Special Flood Hazards:* In June 2015, the NCUA and other federal agencies amended regulations to implement provisions of the Homeowner Flood Insurance Affordability Act of 2014 and the Biggert-Waters Flood Insurance Reform Act of 2012, including requirements for escrow of flood insurance payments, exemptions for certain detached structures, and force placement of flood insurance. In February 2019, further amendments required acceptance of private flood insurance policies meeting statutory definitions, with some discretion allowed for other types of flood coverage. In May 2022,

agencies issued revised and consolidated guidance to help lenders comply with flood insurance laws, addressing escrow, exemptions, force placement, and acceptance of private policies.

*Share Insurance:* In February 2021, the Board amended share insurance regulations to allow credit unions to satisfy the signature card requirement for joint accounts using account records that demonstrate co-ownership, such as issuing debit cards or showing account usage by co-owners. In September 2024, the Board finalized a rule creating a new "trust accounts" category to simplify coverage for both revocable and irrevocable trusts, standardize insurance treatment for mortgage servicing account balances, and increase flexibility in determining share insurance coverage during liquidations.

*Accuracy of Advertising and Notice of Insured Status:* In April 2018, the Board revised the advertising rule to provide regulatory relief by allowing credit unions to use a simplified "Insured by NCUA" statement in addition to the existing options. The rule also expanded exemptions for radio and television ads and removed the requirement to include the official advertising statement on legally mandated statements of condition.

## **QUESTIONS TO CONSIDER:**

For each of the regulations up for review, please consider the following questions:

- 1) *Need and purpose of the regulations:* Do any regulations in these categories impose burdens that are no longer justified due to changes in the financial services industry, consumer behavior, or other circumstances, or that exceed what is required by their underlying statutes?
- 2) *Overarching approaches or flexibilities:* Could a different regulatory approach or added flexibility better achieve statutory objectives while reducing unnecessary burden or rigidity in these regulations?
- 3) *Cumulative effects:* Are there any regulations that, when viewed together—either within a category or alongside similar rules issued by other agencies—create redundant, inconsistent, or duplicative requirements that could be streamlined or simplified to reduce unnecessary burden?

- 4) *Effect on competition:* Do any regulations in these categories create competitive disadvantages within the financial services industry or among different types of credit unions?
- 5) *Reporting, recordkeeping, and disclosure requirements:* Do any regulations in these categories impose outdated, unnecessary, or unduly burdensome reporting, recordkeeping, or disclosure requirements, and could the use of new technologies reduce that burden?
- 6) *Clarity:* Are the regulations in these categories clear and easy to understand, or are there specific areas where clarification is needed?
- 7) *Impact to MDIs and small insured institutions:* Do any regulations in these categories impose outdated, unnecessary, or unduly burdensome requirements on a substantial number of MDIs or small credit unions, particularly in light of changes over time in economic conditions, technology, or regulatory overlap?
- 8) *Scope of rules:* Is the scope of each rule in these categories consistent with the intent of the underlying statutes, or could the scope be clarified or adjusted to reduce burden while remaining faithful to statutory intent?
- 9) Any other comments regarding these regulations.