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## NATIONAL CREDIT UNION ADMINISTRATION

**12 CFR Part 704**

**RIN 3133–AF73**

## Corporate Credit Unions

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

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board (Board) is amending its regulations for corporate credit unions by removing the requirement that a corporate credit union's asset and liability management committee (ALCO) must have at least one member who is also a member of the corporate credit union's board of directors. The final rule also removes filing requirements related to a corporate credit union's annual report and any management letter or other report issued by its independent public accountant. The intended effect is to reduce unnecessary regulatory burden and provide corporate credit unions with greater flexibility.

**DATES:** This final rule is effective on December 28, 2026.

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

**SUPPLEMENTARY INFORMATION:**

### I. Introduction

*A. Background*

In 2010, the Board comprehensively revised the regulations governing corporate credit unions to provide longer-term structural enhancements to the corporate system in response to the financial crisis of 2007–2009.[1] The provisions of the 2010 rule were intended to stabilize the corporate system and improve corporate credit unions' ability to function and provide services to natural person credit unions without undue risk. Since 2010, and as part of the Board's continuous reevaluation of its regulation of corporate credit unions, the Board has amended part 704 on several occasions.[2]

In 2017, the Board amended corporate credit union capital standards to change the calculation of capital after a consolidation and to set a retained earnings ratio target.[3] In October 2020, the Board issued a final rule to amend several provisions relating to corporate credit union investments in credit union service organizations (CUSOs) and other provisions relating to corporate credit union governance.[4] Finally, in 2021, the Board amended part 704 to clarify that corporate credit unions may purchase subordinated debt instruments issued by consumer credit unions.[5]

On December 11, 2025, the Board published a proposed rule to remove the requirement that a corporate credit union's ALCO have at least one board member and certain filing requirements related to a corporate credit union's annual report and other reports issued by its independent public accountant.[6] The proposed rule would have applied to both federally and state-chartered corporate credit unions.

*B. Legal Authority*

The Board is issuing this final rule pursuant to its authority under the Federal Credit Union Act (FCU Act). Under the FCU Act, NCUA is the chartering and supervisory authority for federal credit unions (FCUs) and the federal supervisory authority for federally insured credit unions (FICUs).[7] The FCU Act grants NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.[8] Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.[9] Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.[10] Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

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.[11] Part 704 of the NCUA's regulations implements the requirements of the FCU Act regarding corporate credit unions.[12]

### II. Final Rule

*A. Overview*

This final rule follows publication of the proposed rule and takes into consideration the comments received on the proposal. By the close of the public comment period on February 9, 2026, the Board had received 12 public comments. Comments were submitted by an individual, FICUs, both natural person and corporate, state credit union leagues, a national association of state credit union supervisors, and national trade associations. After careful consideration of the issue raised by the commenters, the Board has decided to adopt the proposal without change.

*B. Discussion of Public Comments*

This section of the preamble discusses the significant issues raised by the commenters, and the Board's responses to the comments.

ALCO Committee Representation

The Board proposed to rescind the requirement for each corporate credit union's ALCO to have at least one member who is also a member of the board of directors. Two commenters objected to the proposed change. One natural-person FICU stated that the proposal removes a key layer of independent oversight and noted the increased premiums that natural-person FICUs paid following the corporate crisis. An individual stated that having

[1] 75 FR 64786 (Oct. 20, 2010).

[2] See *e.g.,* 80 FR 25932 (May 6, 2015) and 80 FR 57283 (Sept. 23, 2015).

[3] 82 FR 55497 (Nov. 22, 2017).

[4] 85 FR 17288 (Mar. 27, 2020).

[5] 86 FR 10729 (Feb. 23, 2021).

[6] 90 FR 57391 (Dec. 11, 2025).

[7] 12 U.S.C. 1752–1775.

[8] 12 U.S.C. 1766(a).

[9] 12 U.S.C. 1787.

[10] 12 U.S.C. 1789.

[11] 12 U.S.C. 1766(a).

[12] 12 CFR part 704.

a board member on the corporate ALCO lessens moral hazard. The individual stated that when monitoring is weakened, managers face fewer constraints and may shift toward higher-risk strategies. The commenter stated that retaining board-level oversight will help sustain accountability, promote efficient risk-taking, and protect the long-run stability of the credit union system.

The Board agrees that strong oversight of the corporate's ALCO is critical for risk management. However, the Board does not believe it is necessary for a board member to be on the ALCO for the board of directors to fulfill its oversight function. Also, several other requirements more effectively ensure adequate oversight. First, part 704 requires that a corporate credit union operate according to a written asset and liability management policy that addresses certain defined components. Additionally, corporate credit union ALCOs must review asset and liability management reports monthly and should report regularly to the board of directors. Additionally, corporate credit union boards of directors must ensure that the corporate's financial performance is evaluated and that the objectives of the corporate credit union and the responsibilities of management are met.[13] Therefore, the Board does not believe that removing the requirement for a board member to be on the corporate credit union's ALCO presents safety and soundness risk.

All other commenters were supportive of the proposed change. These commenters discussed several benefits of the proposed rule, including additional flexibility, the ability to attract and include the right talent for effective risk management, and that the key risk reduction requirement is an established written asset liability management policy. The Board agrees and believes the change strikes the right balance between flexibility for the corporate credit union to determine its internal governance structure and ensuring corporate credit union boards retain responsibility for the strategic oversight of a corporate credit union's asset and liability management.

Filing Requirements for a Corporate Credit Union's Annual Report

The Board proposed to remove several of its filing requirements related to a corporate credit union's annual report. The proposed rule would have rescinded the requirement to file a copy of an annual report and any management letter or other report issued by its independent public accountant with the NCUA within 180 days after the end of the calendar year. The proposed rule also rescinded the requirement for the NCUA to make the annual report available for public inspection. Along with the proposed removal of these filing requirements, the proposal rescinded requirements related to untimely filings.

One individual commenter was opposed to the changes. The commenter stated that maintaining public access to annual audit reports preserves transparency. The Board does not believe removing this provision would affect transparency. The current provision has been in effect for over ten years and the Board is not aware of any public requests for access to corporate credit union annual reports. The Board believes the existing requirement is unnecessary and its removal will not affect transparency. The Board also notes that all member credit unions are given access to a preliminary annual report. A preliminary annual report is required because a corporate credit union may not have completed its annual report at the time of the annual meeting. The Board understands that most corporate credit unions voluntarily post final annual reports on their website. The Board will consider updating the rule in the future to require disclosure of the final annual report.

All other commenters were supportive of the proposed change. These commenters stated that the reports continue to remain subject to examiner review and the proposed rule removes duplicate and unnecessary filing requirements. Commenters also noted that this proposed change streamlines reporting obligations without limiting NCUA's access to information and that corporate credit unions must submit a preliminary annual report to the membership. One commenter stated that the requirements were of limited public benefit.

The Board agrees with commenters on eliminating these filing requirements as they impose an unnecessary and undue compliance burden on corporate credit unions that is disproportionate to their limited public benefit. The NCUA has access to corporate credit union records and audit reports through its examination authority.[14] The amendments only remove the requirements for the corporate credit union to file the documents with the NCUA and does not limit the NCUA's access to the information. NCUA examiners will continue to review these materials through the examination process.

The Board notes that other aspects of the NCUA's filing requirements will remain unchanged. Corporate credit unions will continue to be required to notify the NCUA within 15 days of losing an independent public accountant through dismissal or resignation.

The proposed rule also would have removed the requirement to report the engagement of an independent public accountant. The Board is more concerned with prompt notification for the dismissal or resignation of an accountant than about notification of the initial engagement. The NCUA has access to the engagement letter if necessary and does not need prompt notification. Additionally, a corporate credit union must submit a preliminary annual report to the corporate credit union's membership at its next calendar year's annual meeting.

Comments Outside the Scope of the Proposed Rule

The Board also received a few comments outside of the scope of the proposed rule. A few commenters sought additional regulatory relief. Some commenters requested that corporate credit unions receive 15 additional days to notify NCUA of losing an independent public accountant. Commenters asked for at least 30 days to ease compliance burden, instead of the current timeframe of 15 days. In addition, one association of credit union supervisors also stated the Board should provide greater flexibility for corporate credit unions to manage their balance sheets, particularly given the significantly higher capital levels corporate credit unions hold now compared to 2009 and 2010. The association believes that greater flexibility can be calibrated with supervisory risk mitigation to enhance the benefits to natural-person credit unions. Finally, two state leagues recommended additional changes that were not within the scope of the proposed rule. The changes including removing: (1) the prohibition on an individual serving as the representative of more than one organizational member; (2) the requirement for external auditors to file certain reports with NCUA; (3) the requirement that the enterprise risk management committee include at least one experienced risk management expert; and (4) the prohibition on the board chair simultaneously serving as an officer, director, or employee of a credit union trade association. The Board may

[13] 12 CFR 704.13(c)(6).

[14] 12 U.S.C. 1784.

consider these recommendations for future rulemakings.

## III. Regulatory Procedures

### *A. Executive Orders 12866, 13563, and 14192*

Pursuant to Executive Order 12866 (''Regulatory Planning and Review''), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Information and Regulatory Affairs (OIRA), within the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.[15] 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.[16] This final rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OIRA has determined that this final rule is not a ''significant regulatory action'' as defined by section 3(f) of Executive Order 12866.

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.[17] This final rule is not an Executive Order 14192 regulatory action because this rule is not significant under Executive Order 12866. This final rule is considered an Executive Order 14192 deregulatory action.

### *B. Regulatory Flexibility Act*

The Regulatory Flexibility Act [18] 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.[19] For purposes of this analysis, NCUA considers small credit unions to be those having under $100 million in assets.[20] The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

There are no corporate credit unions under $100 million in assets. Accordingly, NCUA certifies the final rule will not have a significant economic impact on a substantial number of small credit unions.

### *C. 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 OMB control number. The PRA applies to rulemaking 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 NCUA has determined that the changes addressed in this notice do not create a new information collection or revise an existing information collection as defined by the PRA.

### *D. Executive Order 13132 on Federalism*

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests.[21] NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. This final rule applies to all corporate FICUs, including state-chartered credit unions. The NCUA expects that any effect on states or on the distribution of power and responsibilities among the various levels of government will be minor. The changes remove existing federal filing requirements for state-chartered corporate credit unions and do not negatively affect the division of responsibilities between the NCUA and state regulatory authorities with oversight of federally insured, state-chartered corporate credit unions.

### *E. Assessment of Federal Regulations and Policies on Families*

NCUA has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.[22] The final rule is exclusively concerned with corporate credit union governance and filing requirements. The final rule is intended to reduce regulatory burden while maintaining a strong corporate system to support consumer credit unions in their provision of financial services to members. The potential positive effect on family well-being, including financial well-being is, at most, indirect.

### *F. Congressional Review Act*

Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, also known as the Congressional Review Act (CRA), generally provides for congressional review of agency rules.[23] NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.[24] An agency rule, in addition to being subject to congressional oversight, may also be subject to a delayed effective date if the rule is a ''major rule.'' OIRA has determined that this rule is not a ''major rule'' within the meaning of the relevant sections of the CRA. NCUA will also file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

**List of Subjects 12 CFR Part 704**

Credit unions, Reporting and recordkeeping requirements, Surety bonds.

By the National Credit Union Administration Board, this 23rd day of November, 2026.

**Melane Conyers-Ausbrooks,**

*Secretary of the Board.*

For the reasons stated in the preamble, the NCUA Board amends 12 CFR part 704 as follows:

## PART 704—CORPORATE CREDIT UNIONS

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

**Authority:** 12 U.S.C. 1766(a), 1781, 1789.

■ 2. Revise section 704.8(b) to read as follows:

**§ 704.8 Asset and liability management.**

* * * * *

(b) *Asset and liability management committee (ALCO).* The ALCO must review asset and liability management reports on at least a monthly basis. These reports must address compliance with Federal Credit Union Act, NCUA Rules and Regulations (12 CFR chapter VII), and all related risk management policies.

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[15] 58 FR 51735 (Oct. 4, 1993).

[16] 76 FR 3821 (Jan. 21, 2011).

[17] 90 FR 9065 (Feb. 6, 2025).

[18] 5 U.S.C. 601 *et seq.*

[19] 5 U.S.C. 605(b).

[20] 80 FR 57512 (Sept. 24, 2015).

[21] 64 FR 43255 (Aug. 4, 1999).

[22] Public Law 105–277, 112 Stat. 2681 (1998).

[23] 5 U.S.C. 801–808.

[24] 5 U.S.C. 804(3).

■ 3. Revise § 704.15(c) to read as follows:

**§ 704.15 Audit and reporting requirements.**

* * * * *

(c) *Filing and notice requirements*—(1) *Notice of dismissal or resignation of accountants.* Each corporate credit union that loses an independent public accountant through dismissal or resignation, must notify the NCUA within 15 days after the dismissal, or resignation. The corporate credit union must include with the notice a reasonably detailed statement of the reasons for any dismissal or resignation. The corporate credit union must also provide a copy of the notice to the independent public accountant at the same time the notice is filed with the NCUA.

(2) *Report to Members.* A corporate credit union must submit a preliminary Annual Report to the membership at the next calendar year's annual meeting.

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[FR Doc. 2026–23996 Filed 11–24–26; 8:45 am]

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## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Part 711

**RIN 3133–AF89**

## Thresholds Increase for the Major Assets Prohibition of the Depository Institution Management Interlocks Act Rule

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

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board (Board) is issuing a final rule increasing two thresholds in its regulation implementing management official interlocks for purposes of the Depository Institution Management Interlocks Act (DIMIA). DIMIA authorizes NCUA to adjust the major assets prohibition thresholds through regulation to respond to inflation or market changes. This final rule increases both major assets prohibition thresholds to $10 billion to account for changes in the United States banking market since 1996. Additionally, the final rule removes a presumption related to depository institutions controlled or managed by persons who are members of a minority group or women.

**DATES:** This final rule is effective on December 28, 2026.

**FOR FURTHER INFORMATION CONTACT:** John H. Brolin, Senior Staff Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

**SUPPLEMENTARY INFORMATION:**

## I. Introduction

### *A. Background*

Under the authorities established in DIMIA,[1] the Board is finalizing its May 7, 2026 proposed rule [2] to increase the major assets prohibition thresholds for management interlocks. This increase in the thresholds reflects changes in the United States banking market since Congress established the current thresholds in 1996. Under current part 711, an exemption is required for a management official [3] of a depository organization [4] (or any affiliate of such organization) with assets exceeding $2.5 billion to serve as a management official of an unaffiliated depository organization (or any affiliate of such organization) with assets exceeding $1.5 billion. The final rule increases both thresholds to $10 billion. Section 711.4(c) of NCUA's regulations exempts a management official of a credit union from the prohibition when the individual serves as a management official of another credit union. Thus, the Interlocks Act prohibitions contained in part 711 apply to only a management official of a credit union when that individual also serves as a management official of another type of depository organization (usually a bank or a thrift).[5]

By increasing the major assets prohibition thresholds, the final rule reduces the number of depository organizations subject to the major assets prohibition. This reduces regulatory burden by raising the threshold at which depository organizations must ask NCUA for exemptions from the major assets prohibition. NCUA anticipates that raising the asset thresholds will assist credit unions with less than $10 billion in total assets in finding qualified directors by eliminating the need to file requests for exemptions. Additionally, NCUA addresses the risk of Equal Protection issues arising under § 711.6 by removing the rebuttable presumption that an interlock will not result in a monopoly or substantially lessen competition if the depository institution seeking to add a management official is controlled or managed by persons who are members of a minority group or women.

DIMIA—implemented in NCUA's regulations at 12 CFR part 711—fosters competition by prohibiting a management official from serving simultaneously at multiple, unaffiliated depository organizations when such multiple roles may have an anticompetitive effect.[6] DIMIA achieves this purpose through three statutory prohibitions, which are implemented in § 711.3 of NCUA's regulations. In their current form, the three prohibitions are as follows.

The first prohibition, the community prohibition,[7] precludes a management official of a depository organization from serving concurrently as a management official of an unaffiliated depository organization if the depository organizations in question (or any depository institution affiliate thereof) have offices in the same community.[8] The second prohibition, the relevant metropolitan statistical area (RMSA) prohibition,[9] precludes a management official of a depository organization from serving concurrently as a management official of an unaffiliated depository organization if the depository organizations in question (or any depository institution affiliate thereof) have offices in the same RMSA [10] and each depository organization has total assets of $50 million or more. The third prohibition, the major assets prohibition,[11] precludes a management official of a depository organization with total assets exceeding $2.5 billion (or any affiliate of such an organization) from serving concurrently as a management official of an unaffiliated depository organization with total assets exceeding $1.5 billion (or any affiliate of such an organization), regardless of the location of the two depository organizations.

While the first two prohibitions capture the risk of anticompetitive effects from management interlocks between depository organizations that operate within overlapping geographical areas, the major assets prohibition addresses management interlocks between depository organizations that are large enough that a management interlock may present anticompetitive concerns even though the involved

[1] 12 U.S.C. 3201 *et seq.*

[2] 91 FR 24748 (May 7, 2026).

[3] *See* 12 CFR 711.2(k).

[4] *See* 12 CFR 711.2(h); § 711.2(f); *and* § 711.2(e).

[5] § 711.1(c).

[6] § 711.1(b).

[7] § 711.3(a).

[8] NCUA's regulation defines ''community'' to mean a city, town, or village, and contiguous and adjacent cities, towns, or villages. § 711.2(c).

[9] § 711.3(b).

[10] NCUA's regulation defines ''RMSA'' to mean an [metropolitan statistical area (MSA)], a primary MSA, or a consolidated MSA that is not comprised of designated primary MSAs to the extent that these terms are defined and applied by the Office of Management and Budget. § 711.2(n).

[11] § 711.3(c).