credit unions that might otherwise have applied for an exemption. Any effect on family well-being will be indirect and likely insubstantial.

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.[40] NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.[41] 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 that this rule is not a ''major rule'' within the meaning of the relevant sections of the CRA. NCUA also will file appropriate reports with Congress and the Comptroller General so this rule may be reviewed.

List of Subjects in Part 711

Antitrust, Credit unions, Holding companies.

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

Melane Conyers-Ausbrooks,

Secretary of the Board.

For the reasons discussed above, the Board amends 12 CFR part 711 as follows:

PART 711—MANAGEMENT OFFICIAL INTERLOCKS

■ 1. Revise the authority section to read as follows:

Authority: 12 U.S.C. 1786 and 3201 − 3208.

■ 2. Section 711.3 is amended by revising the first sentence of paragraph (c) to read as follows:

§ 711.3 Prohibitions

* * * * *

(c) *Major assets.* A management official of a depository organization with total assets exceeding $10 billion (or any affiliate of such an organization) may not serve at the same time as a management official of an unaffiliated depository organization with total assets exceeding $10 billion (or any affiliate of such an organization), regardless of the location of the two depository organizations. * * *

§ 711.6 [Amended]

■ 3. Amend § 711.6 by:

■ a. Removing paragraph (b)(2); and

■ b. Renumbering paragraphs (b)(3) and (4) as paragraphs (b)(2) and (3).

[FR Doc. 2026–23994 Filed 11–24–26; 8:45 am]

BILLING CODE 7535–01–P

[40] 5 U.S.C. 801–808.

[41] 5 U.S.C. 804(3).

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 715

RIN 3133–AF74

Supervisory Committee Audits And Verifications

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is amending its regulations governing supervisory committee audits to eliminate unnecessary, redundant, and overly prescriptive provisions. The final rule is necessary to reduce regulatory burden, increase operational flexibility for federally insured credit unions (FICUs), and streamline the rules by removing requirements that are outdated or duplicative of other authorities. The intended effect of the final rule is to simplify compliance for FICUs without compromising the integrity of the audit process.

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

FOR FURTHER INFORMATION CONTACT: Ian Marenna, Associate General Counsel, Office of General Counsel at (703) 518–6450 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

On December 11, 2025, the Board published a notice of proposed rulemaking in the **Federal Register** proposing to amend its regulations at 12 CFR part 715, which govern the supervisory committee audit and verification responsibilities for FICUs.[1] The proposal sought to partially or wholly eliminate several sections of this part to reduce regulatory burden, eliminate unnecessary and redundant provisions, and increase flexibility for FICUs. These changes are consistent with the Board's ongoing efforts to modernize its regulations and ensure they remain effective and efficient without imposing undue burdens. They are intended to provide FICUs with greater flexibility in meeting their audit compliance obligations while maintaining the integrity of the audit and verification process.

The primary purpose of this regulation is to ensure that FICUs meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets from error, conflicts of interest, self-dealing, and fraud.

The following is a description of the purpose and function of those sections as they currently exist. The changes the Board proposed, the comments received on the proposal, and the final rule are discussed in section II below.

Section 715.2 defines key terms used throughout the part. It establishes the meaning of technical terms such as *financial statements, financial statement audit,* GAAP, and GAAS. It also defines terms specific to the rule's framework, such as *compensated person,* which refers to an accounting or auditing professional compensated for performing more than one supervisory committee audit per year, and working papers, which are the records supporting the auditor's findings. This section distinguishes a formal *financial statement audit* from the broader su*pervisory committee audit* responsibility, which can be fulfilled through several alternative engagements.

Section 715.8 sets forth the requirements for the verification of member accounts. This requirement is derived from 12 U.S.C. 1761d and obligates the supervisory committee to verify members' passbooks and accounts against the credit union's records at least once every two years. The regulation permits several methods for this verification, including a 100 percent controlled verification of all member share and loan accounts, a statistical sampling method, or a nonstatistical sampling method consistent with GAAS when performed by a state-licensed independent person.

Section 715.9 governs the engagement of an outside, compensated person to assist the supervisory committee. To ensure auditor independence, the section prohibits such a person from being related by blood or marriage to any management employee or official of the credit union. It also mandates that the engagement be formalized through a written engagement letter contracted directly with the supervisory committee. This letter must specify the terms, conditions, objectives, and compensation for the engagement; identify the basis of accounting to be used; and set a target date for the delivery of the written audit report. The engagement letter must also certify that regulators will be provided

[1] 90 FR 57393 (Dec. 11, 2025).

unconditional access to the complete set of original working papers and acknowledge that these papers will be retained for at least three years.

Section 715.10 outlines the supervisory committee's responsibilities for the audit report and working papers. Upon receiving a written audit report, the committee must submit it to the board of directors and provide a summary of the audit to the members at the next annual meeting. If a member requests it, the committee must provide access to the full audit report. This section also holds the supervisory committee responsible for maintaining a complete set of original working papers for each audit and for providing the NCUA with unconditional access to these papers upon request.

Section 715.12 provides statutory remedies for the NCUA Board to address non-compliance by a federal credit union (FCU). The Board may compel a credit union to obtain a supervisory committee audit performed by an independent, state-licensed person if the credit union's supervisory committee fails to obtain a required annual audit or obtains one that does not meet the requirements of part 715. The Board may also compel a full financial statement audit if the credit union has experienced ''serious and persistent recordkeeping deficiencies.'' The rule defines a deficiency as ''serious'' if financial reporting objectives are not met and member assets are not safeguarded, and ''persistent'' if it continues beyond a reasonable period.

Section 741.202 applies supervisory committee audit and verification and other requirements of part 715 to all FICUs, which extends coverage to federally insured, state-chartered credit unions (FISCUs).

B. Legal Authority

The Board is issuing this final rule pursuant to its authority under the FCU Act. Under the FCU Act, NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs.[2] 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.[3] Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.[4] 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.[5] 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.

Sections 115 and 202(a)(6) of the FCU Act set forth provisions addressing auditing and accounting requirements.[6] Section 115 of the FCU Act requires an FCU's supervisory committee to make an annual audit and submit a report of that audit to the FCU's board of directors and a summary of that report to the FCU's members at the next annual meeting.[7] Further, the supervisory committee is required to make supplemental reports as it deems necessary.

Section 202(a)(6)(A) of the FCU Act is a general grant of authority to the Board to prescribe audit standards that require an outside, independent audit by a certified public accountant for any fiscal year for which a FICU has not conducted an annual supervisory committee audit, has not received a complete and satisfactory supervisory committee audit, or during which the FICU has experienced persistent or serious recordkeeping deficiencies.[8] Section 202(a)(6)(C) of the FCU Act generally requires FICUs having assets of $10 million or more to use accounting principles consistent with GAAP in all reports or statements required to be filed with the Board. The Board, and state credit union supervisors under applicable state law, may require credit unions having less than $10 million in assets to follow GAAP. Section 202(a)(6)(D) of the FCU Act imposes audit requirements for larger FICUs. Specifically, a FICU having assets of $500 million or more is required to obtain an annual independent audit of its financial statements performed in accordance with GAAS, hereafter referred to as a ''financial statement audit.'' That audit must be performed by an independent certified public accountant or public accountant licensed to do so by an appropriate state or jurisdiction.[9] Additionally, if an FCU having total assets of less than $500 million but more than $10 million elects to obtain a financial statement audit, the audit must be performed consistent with the accountancy laws of the appropriate state or jurisdiction.[10]

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 32 public comments. Comments were submitted by individuals, state credit union leagues and national trade organizations, FICUs, and an association of state credit union supervisors. All but one of the 32 comments received on the proposed rule supported the proposal. The remaining commenter did not offer support or opposition for the proposed rule, but instead spoke to cybersecurity standards as they relate to audits.[11] In generally supporting the rule, 15 commenters stressed that small FICUs struggle with compliance burden, often related to redundant and duplicative regulations and examination practices that necessitate resources on low impact areas that do not affect safety and soundness and take away from their ability to serve members. Other reasons commenters cited for generally supporting the rule included: reduced burden and improved flexibility while preserving strong oversight; promoting efficiency and clarity; and alignment with industry best practices. After careful consideration of the issues raised by the commenters, the Board has decided to adopt the proposal without change.

B. Final Rule and Discussion of Public Comments

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

1. Section 715.2

The Board proposed amending § 715.2(h), which defines ''[i]nternal control'' for Part 715. The current regulation defines this term as the process designed by a FICU's board, officers, and employees to provide reasonable assurance of reliable financial reporting and safeguarding of

[2] 12 U.S.C. 1752–1775.

[3] 12 U.S.C. 1766(a).

[4] 12 U.S.C. 1787.

[5] 12 U.S.C. 1789.

[6] 12 U.S.C. 1761d; 12 U.S.C. 1782(a)(6).

[7] 12 U.S.C. 1761d.

[8] 12 U.S.C. 1782(a)(6)(C).

[9] 12 U.S.C. 1782(a)(6)(D).

[10] 12 U.S.C. 1782(a)(6)(D)(ii).

[11] The commenter said it is important for NCUA to adapt and adopt a standard cyber security framework for protecting the credit union industry and to stop trying to create its own. They believe that this will make it easier to prove compliance and to contract with auditors who can provide auditing services to the credit union industry. The commenter also believes that audits can be automated (continuous compliance instead of point in time), low to no touch, and conducted remotely.

assets against unauthorized acquisition, use, or disposition. The definition also describes internal control components in detail, specifying five components and describing reliable financial reporting. As noted in the proposal, the second sentence of the paragraph, which enumerates the five components of an internal control structure, is overly prescriptive and risks becoming obsolete. This list is derived from a specific framework that may evolve over time. Removing this static definition, as was proposed, would make the regulation more durable and allow FICUs and auditors to apply current, industry-accepted frameworks for evaluating internal controls. The third sentence, which defines reliable financial reporting by referencing only the preparation of Call Reports, is unduly narrow and was also proposed for removal to provide a more comprehensive understanding of the term.

Ten commenters specifically supported modernizing the definition by removing the prescriptive list of internal control components and the reference to Call Report preparation to describe reliable financial reporting in favor of allowing FICUs and auditors to apply non-specified current and future auditing and risk management practices and allow for a more comprehensive understanding of what constitutes reliable financial reporting. Commenters felt this would eliminate unnecessary prescriptive requirements and provide regulatory relief by being flexible, technology and framework neutral, and capable of evolving while still ensuring reliable financial reporting and safeguarding of assets. One commenter specifically agreed that defining reliable financial reporting by referencing only the preparation of Call Reports is unnecessarily narrow.

One commenter requested that NCUA add a resource to help FICUs confirm current industry accepted processes for evaluating internal controls to eliminate inconsistencies when applying those processes. Two commenters asked NCUA to communicate supervisory expectations and apply them consistently, consistent with the FICU's size and complexity. They requested NCUA emphasize that no particular internal control framework is required or implied by the revised definition so that informal or unwritten expectations do not develop and negate the relief.

NCUA Response. The final rule adopts the changes as proposed. The Board appreciates commenters' input and generally agrees with the cited benefits of the changes. Regarding the addition of a resource to help FICUs confirm current industry accepted processes for evaluating internal controls, the Board will consider whether additional guidance may be beneficial but is reluctant to prescribe specific resources FICUs should look to as this change is intended to provide greater flexibility. The Board agrees with the comments addressing the importance of communicating consistent supervisory expectations and applying them consistently. The Board believes the final rule will facilitate this. As requested, the Board also confirms that no particular internal control framework is required or implied by the revised definition.

2. Section 715.8

The Board proposed amending § 715.8(a), which details specific methods for the verification of member accounts. The FCU Act imposes a clear and self-executing duty on the supervisory committee to verify member accounts at least once every 2 years.[12] The regulation requires members' accounts to be verified against the records of the treasurer. The proposed change would amend this requirement to state more generally that members' accounts must be verified against the credit union's records. The proposal noted that, while the treasurer must maintain the records under the FCU Act, because the treasurer's records belong to the credit union the supervisory committee is responsible for checking these records against members' account records.

Twenty-three commenters specifically supported this change. Six expressed that the proposed change appropriately aligns the regulation with the statutory requirement while reflecting modern operational realities of system-based recordkeeping practices and preserving the supervisory committee's independent verification responsibility. Another said the change would streamline compliance without compromising the NCUA's oversight. Two commenters specifically agreed with the proposal's assessment that ''the treasurer's records belong to the credit union'' and the regulation can provide that members' accounts must be verified against the credit union's records. Fifteen commenters said easing the regulatory and exam burden related to the biennial account verification, which they felt a largely obsolete and low impact area, would help reduce the compliance burden on small FICUs.

NCUA Response. The final rule adopts the change as proposed. The Board appreciates commenters' input and generally agrees with the cited benefits of the change.

3. Section 715.9

The Board proposed amending § 715.9(b), which provides details on engagement letters with outside, compensated auditors. The current provision requires the scope of work to be documented in an engagement letter contracted with the supervisory committee. The provision also details how the engagement letter must be signed by both parties. As noted in the proposal, the Board finds this additional detail and prescription unnecessary. Without this description, the provision is clear that the supervisory committee must enter into a contract with the outside, compensated auditor. Prescribing this process in greater detail adds to the body of regulations that FICUs must follow without any clear benefit. Therefore, the Board proposed to remove the final sentence of this provision.

Twenty-five commenters specifically supported eliminating the requirement for dual signatures on engagement letters as it would remove unnecessarily prescriptive language and streamline compliance without compromising the NCUA's oversight or audit quality. Fifteen commenters said the change would help reduce the compliance burden on small FICUs. One said reducing prescriptive regulatory requirements like this will cut down FICU paperwork burdens without reducing the stringency of Generally Accepted Auditing Standards (GAAS) or other standards applicable to these scopes of work. One commenter requested auditors review the changes.

NCUA Response. The final rule adopts the change as proposed. The Board appreciates commenters' input and generally agrees with the cited benefits of the change.

4. Section 715.10

The Board proposed amending § 715.10(a) by removing the sentence that requires a supervisory committee to provide the NCUA with a copy of audit reports upon request. This provision is entirely redundant of the Board's existing authority. As noted in the proposal, the Board has broad statutory power under the FCU Act to access all books and records of any FICU during its examination and supervision activities.[13] This inherent authority includes the power to obtain audit reports, which are records of the credit union. Eliminating this duplicative regulatory language streamlines the rule

[12] 12 U.S.C. 1761d.

[13] 12 U.S.C. 1756, 1784, 1789.

without in any way diminishing the agency's access to information or its oversight capabilities.

Eleven commenters specifically expressed support for this change, agreeing the FCU Act already provides the NCUA with broad authority to access all FICU books and records, including audit reports. Nine commenters said the change removes a duplicative regulatory requirement without reducing transparency or supervisory oversight.

Two of these commenters said they generally support the change but noted that the existing regulatory language has historically served as a clear and direct reference point for supervisory committees regarding their role in supporting exams. The commenters felt removing the explicit provision may raise questions for supervisory committee members, especially volunteer ones, about how audit materials are expected to be made available and under what circumstances. They suggested that to avoid uncertainty and promote consistent understanding the NCUA clarify through supervisory guidance or examiner communications that the amendment does not alter the NCUA's access rights or the expectation that audit reports will be provided promptly upon request during an examination or supervisory review. The commenters felt this would preserve transparency and cooperation while still achieving the proposal's deregulatory intent.

One commenter asked NCUA to clarify the requirements related to audit working papers to reflect modern audit practices, noting Part 715 assigns the supervisory committee responsibility for maintaining a complete set of original working papers and providing NCUA unconditional access, which can be read to require duplicative retention even when compensated auditors maintain the official working papers under professional standards. The commenter suggested clarifying that compliance is satisfied so long as the supervisory committee ensures prompt and complete access to all working papers upon request, regardless of whether they are maintained electronically by the auditor, and that electronic records are fully acceptable. The commenter said this would streamline compliance without limiting the agency's supervisory authority.

NCUA Response. The final rule adopts the change as proposed. The Board appreciates commenters' input and generally agrees with the cited benefits of the change. The Board understands commenters' concern that removing the explicit provision may raise questions for supervisory committee members about how audit materials are expected to be made available and under what circumstances. The Board agrees, and reiterates here, that the amendment does not alter the NCUA's access rights or the expectation that audit reports will be provided promptly upon request during an examination or supervisory review and will endeavor to ensure examiners communicate these obligations consistently. The Board will consider additional guidance if it becomes necessary.

Finally, regarding the commenter's concern that the requirement to maintain a complete set of original working papers can be read to require duplicate retention by both the supervisory committee and the compensated auditor, the Board stresses that duplicate retention is not necessary. As the commenter notes, compliance is satisfied so long as the supervisory committee ensures retention of a complete set of original working papers and the ability to provide NCUA unconditional, complete, and prompt access to all working papers upon request. This has long been the NCUA's position and is evidenced in both a 1996 final rule preamble [14] adopting changes to part 715 and in the requirements in §§ 715.9(c)(7)-(8) that the engagement letter with the compensated auditor:

Certify that NCUA staff and/or the State credit union supervisor, or designated representatives of each, will be provided unconditional access to the complete set of original working papers, either at the offices of the credit union *or at a mutually agreed upon location,* for purposes of inspection; and acknowledge that working papers shall be retained for a minimum of three years from the date of the written audit report.[15]

Regarding the acceptability of electronically maintained working papers, the Board stresses that electronically maintained working papers are acceptable and have been since the 1996 final rule.[16]

5. Section 715.12

Finally, the Board proposed to remove two sentences from § 715.12(b). This provision currently describes the objective of a financial statement audit compelled by the NCUA and states that an ''adverse opinion or disclaimer of opinion should be the exception rather than the norm.'' As noted in the proposal, this language is unnecessary because GAAS already establishes the objectives of a financial statement audit. This commentary in the regulation is best read as guidance and could cause confusion if auditing standards evolve to provide different objectives or expectations for financial statement audits. Therefore, the Board proposed to remove the final two sentences of this provision to reduce potential confusion.

Nine commenters specifically expressed support for this change, noting that the change would eliminate unnecessary and potentially confusing regulatory language that duplicates existing professional auditing standards. They agreed that GAAS already establishes the objectives and expectations of a financial statement audit and retaining prescriptive regulatory language on those objectives is redundant and risks creating confusion if professional standards evolve. Commenters said that removing this language appropriately streamlines the regulation while preserving the NCUA's existing authority to require an audit when necessary and reducing the risk of confusion as auditing standards evolve. Several commenters also specifically agreed that the language that would be removed is guidance and not suitable for regulatory text.

NCUA Response. The final rule adopts the change as proposed. The Board appreciates commenters' input and generally agrees with the cited benefits of the change.

6. Other Comments

FISCUs: Five commenters raised concerns about application of Part 715, both in its current form and as proposed, to FISCUs through § 741.202 and urged NCUA to clarify which elements of Part 715 apply to FISCUs. The commenters noted that certain provisions, like those related to supervisory committees, are not universally required under all state laws and do not clearly apply to FISCUs in NCUA's regulations. They said additional guidance regarding how these provisions apply through incorporation by reference would

[14] *See* 61 FR 41312, 41320–41321 (Aug. 8. 1996) (''Several commenters believe that the working papers are the property of the compensated auditor and not the credit union unless the papers are prepared by the supervisory committee. NCUA recognizes that the working papers prepared by a compensated auditor are the property of the compensated auditor.'').

[15] 12 CFR 715.9(c)(7)–(8).

[16] *Id* (''Two commenters believe this section should be clarified to provide that copies, certified copies or electronic formatted data are 'originals' for the purpose of this section. Relevant to the most recent audit completed and awaiting NCUA review, the Board rejects the notion that 'copies, certified copies or electronic formatted data are 'originals' for the purpose of this section.' Subsequently, and for purposes of meeting the three year working papers retention expectation, accessible alternative electronic storage is acceptable.'').

promote clarity and consistent implementation.

NCUA Response. The Board appreciates the commenters' input. This is beyond the scope of this rulemaking, but the Board may consider the comments as part of any future amendments to part 715.

Supervisory Expectations: Four commenters stressed that as prescriptive requirements are removed NCUA must provide clear supervisory messaging, accessible guidance, and consistent application across exams. Two of these commenters emphasized that regulatory burden stems not only from regulatory text, but also from how expectations are communicated, interpreted, and applied during exams. They said less prescriptive requirements place additional importance on remaining expectations being clearly articulated, readily accessible, and applied consistently to prevent increased compliance uncertainty and examiner variability that diminish the practical benefits of the proposed relief. One of these commenters noted the importance of supporting strong supervisory programs and clarity to both FICUs and state and federal regulators.

NCUA Response. The Board appreciates the commenters' input and agrees that less prescriptive requirements increase the importance of NCUA clearly articulating standards and consistently applying the regulations. The NCUA will endeavor to do this.

Standards: Three commenters noted support for a more flexible, principles-based framework, but encouraged NCUA to ensure this does not inadvertently diminish clarity around base supervisory recordkeeping expectations. Two of these commenters said that with reduced prescriptive requirements there is a risk of differing interpretations regarding the documentation sufficient to evidence compliance with the audit requirements. They requested NCUA clearly communicate, either in the final rule or accompanying guidance, that, while specific formats and processes are no longer prescribed, FICUs remain responsible for maintaining records that reasonably support audit conclusions and board oversight. The commenters felt that emphasizing outcomes and risk coverage rather than procedural detail would preserve Part 715's effectiveness while providing the intended flexibility. One commenter stressed that recordkeeping clarity is not merely procedural, but fundamental to enabling effective supervision by regulators and boards to ensure deficiencies can be identified, escalated, and corrected. They encouraged NCUA to remind FICU directors of their fiduciary obligation to ensure accurate and timely recordkeeping.

NCUA Response. The Board appreciates the commenters' concerns and emphasizes that while the final rule is intended to provide greater flexibility and reduce regulatory burden, and thus does make part 715 more principles based, FICUs remain responsible for maintaining records that reasonably support their audit conclusions and demonstrate board oversight. As the commenter noted, the intent of the changes is not to lessen standards but to allow FICUs greater flexibility to demonstrate they are meeting those standards. The Board strongly agrees that it is essential that FICUs maintain accurate and timely recordkeeping and that FICUs understand their obligations to do so.

Appendix A: One commenter asked the NCUA to eliminate Part 715 Appendix A, which contains minimum procedures for supervisory committee audits. They asked that the substance of any enforceable rules be moved to the body of Part 715 and any guidance be reissued as standalone guidance. They noted that NCUA's broader deregulatory project has proposed eliminating Part 748 Appendices A and B because they are guidance and reissuing them as non-binding guidance. They felt keeping Appendix A as is would confuse stakeholders.

NCUA Response. The Board appreciates the commenters' input. This is beyond the scope of this rulemaking, but the Board will consider the comment as part of any future amendments to part 715.

Broader Deregulation Project: One commenter asked NCUA to ensure changes are harmonized with other revisions and introduced with adequate implementation timelines.

NCUA Response. The Board appreciates the commenters' input and emphasizes that it is implementing the deregulation project with the goal of making sure all changes are harmonized and implemented in a manner that allows FICUs sufficient time to adapt to the changes.

Passbooks: Two commenters asked NCUA to modernize part 715 by replacing outdated language requiring verification of ''passbooks'' in 12 CFR 715.8, which stems from 12 U.S.C. 1761d, which refers to passbooks and accounts, to reflect today's electronic account records, online access, and digital confirmations, none of which rely on physical passbooks.

NCUA Response. The Board appreciates the commenters' input. This is beyond the scope of this rulemaking, but the Board may consider the comments as part of any future amendments to part 715. The Board also notes that the FCU Act and the regulation refer to ''accounts'' more generally in addition to passbooks.

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.[17] 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.[18] 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.[19] 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 an Executive Order 14192 deregulatory action.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act[20] 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.[21] For purposes of this analysis, NCUA

[17] 58 FR 51735 (Oct. 4, 1993).

[18] 76 FR 3821 (Jan.21, 2011).

[19] 90 FR 9065 (Feb. 6, 2025).

[20] 5 U.S.C.601 *et seq.*

[21] 5 U.S.C. 605(b).

considers small credit unions to be those having under $100 million in assets.[22] The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The changes in the final rule will reduce burden and confusion by streamlining certain provisions in the NCUA's audit regulations that apply to all FICUs. The changes will not substantially change FICUs' audit obligations or the nature of these audits. Rather, the changes will provide clarity and generally reduce the level of detail in the regulations, which may provide relief to FICUs, but are not likely to have a significant economic impact. 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 providesthat an agency may not conduct or sponsor, and notwithstanding 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 reviewed this rule and determined that it does not create any new or revise any existing collections of information. Accordingly, no PRA submissions to OMB will be made with respect to this rule.

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.[23] NCUA, an agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The NCUA's audit regulations apply to all FICUs, including federally insured, state-chartered credit unions. The changes in the final rule will not change or impose any new burdens on FICUs, including state-chartered credit unions. The final rule changes will streamline and clarify certain provisions without changing FICUs' audit obligations. The rulemaking will therefore not have a direct effect on the states, the relationship between the national government and the states, or the distribution of power and responsibilities among the various levels of government.

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.[24] The final rule concerns FICUs' audit obligations and procedures. Any effect on members' accounts, and by extension their financial well-being, is likely to be 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.[25] NCUA must submit a report to Congress and the Comptroller General when it issues a final rule, as defined by the CRA.[26] 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 in 12 CFR Part 715

Accounting, Credit unions, Reporting and recordkeeping requirements.

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 715 as follows:

PART 715—SUPERVISORY COMMITTEE AUDITS AND VERIFICATIONS

■ 1. The authority citation for part 715 continues to read as follows:

Authority: 12 U.S.C. 1761(b), 1761d, 1782(a)(6).

■ 2. Revise § 715.2(h) to read as follows:

§ 715.2 Definitions used in this part.

* * * * *

(h) *Internal control* refers to the process, established by the credit union's board of directors, officers and employees, designed to provide reasonable assurance of reliable financial reporting and safeguarding of assets against unauthorized acquisition, use, or disposition. Internal control over safeguarding of assets against unauthorized acquisition, use, or disposition refers to prevention or timely detection of transactions involving such unauthorized access, use, or disposition of assets which could result in a loss that is material to the financial statements.

* * * * *

§ 715.8 [Amended]

■ 3. In § 715.8(a), remove the words ''of the treasurer''.

■ 4. Revise § 715.9(b) to read as follows:

§ 715.9 Assistance from outside, compensated person.

* * * * *

(b) *Engagement letter.* The engagement of a compensated auditor to perform all or a portion of the scope of a financial statement audit or supervisory committee audit shall be evidenced by an engagement letter. In all cases, the engagement must be contracted directly with the Supervisory Committee.

* * * * *

■ 5. Revise § 715.10(a) to read as follows:

§ 715.10 Audit report and working paper maintenance and access.

(a) *Audit report.* Upon completion and/or receipt of the written report of a financial statement audit or a supervisory committee audit, the Supervisory Committee must verify that the audit was performed and reported in accordance with the terms of the engagement letter prescribed herein. The Supervisory Committee must submit the report(s) to the board of directors, and provide a summary of the results of the audit to the members of the credit union orally or in writing at the next annual meeting of the credit union. If a member so requests, the Supervisory Committee shall provide the member access to the full audit report.

* * * * *

■ 6. Revise § 715.12(b) to read as follows:

§ 715.12 Statutory audit remedies for Federal credit unions.

* * * * *

(b) *Financial statement audit required.* The NCUA Board may compel

[22] 80 FR 57512 (Sept. 24, 2015).

[23] 64 FR 43255 (Aug. 4, 1999).

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

[25] 5 U.S.C. 801–808.

[26] 5 U.S.C. 804(3).

a federal credit union to obtain a financial statement audit performed in accordance with GAAS by an independent person who is licensed by the State or jurisdiction in which the credit union is principally located (even if such audit is not required by § 715.5), for any fiscal year in which the credit union has experienced serious and persistent recordkeeping deficiencies as defined in paragraph (c) of this section.

* * * * *

[FR Doc. 2026–23997 Filed 11–24–26; 8:45 am]

BILLING CODE 7535–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–3474; Project Identifier MCAI–2025–01807–A; Amendment 39–23526; AD 2026–24–02]

RIN 2120–AA64

Airworthiness Directives; Pilatus Aircraft Ltd. Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is superseding Airworthiness Directive (AD) 2021–11–08, which applied to all Pilatus Aircraft Ltd. (Pilatus) Model PC–6, PC–6–H1, PC–6–H2, PC–6/350, PC–6/350–H1, PC–6/350–H2, PC–6/A, PC–6/A–H1, PC–6/A–H2, PC–6/B–H2, PC–6/B1–H2, PC–6/B2–H2, PC–6/B2–H4, PC–6/C–H2, and PC–6/C1–H2 airplanes. AD 2021–11–08 required revising the airworthiness limitations section (ALS) of the existing aircraft maintenance manual (AMM) or instructions for continued airworthiness (ICA) to incorporate new airworthiness limitations and adding an additional eddy current inspection of the fuselage wing fittings and wing-to-fuselage fittings if the last inspection was performed using an earlier version of the required material. Since the FAA issued AD 2021–11–08, the FAA has determined that new or more restrictive airworthiness limitations are necessary. This AD requires revising the ALS of the existing AMM or ICA for these airplanes. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective December 30, 2026.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in this AD as of December 30, 2026.

ADDRESSES:

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2026–3474; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

- For European Union Aviation Safety Agency (EASA) material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.*
- FAA, Airworthiness Products Section, Operational Safety Branch, 1100 Main, Kansas City, MO 64105. For information on the availability of this material at the FAA, call (817) 222–5110. It is also available at *regulations.gov* under Docket No. FAA–2026–3474.

FOR FURTHER INFORMATION CONTACT: Doug Rudolph, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (816) 329–4059; email: *doug.rudolph@faa.gov.*

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 to supersede AD 2021–11–08, Amendment 39–21570 (86 FR 30155, June 7, 2021) (AD 2021–11–08). AD 2021–11–08 applied to all Pilatus Model PC–6, PC–6–H1, PC–6–H2, PC–6/350, PC–6/350–H1, PC–6/350–H2, PC–6/A, PC–6/A–H1, PC–6/A–H2, PC–6/B–H2, PC–6/B1–H2, PC–6/B2–H2, PC–6/B2–H4, PC–6/C–H2, and PC–6/C1–H2 airplanes. AD 2021–11–08 required revising the ALS of the existing AMM or ICA to incorporate new airworthiness limitations and adding an additional eddy current inspection of the fuselage wing fittings and wing-to-fuselage fittings if the last inspection was performed using an earlier version of the required material. The FAA issued AD 2021–11–08 to address reduced airplane controllability due to possible loss of structural integrity of certain parts.

The NPRM was published in the **Federal Register** on April 6, 2026 (91 FR 17161). The NPRM was prompted by EASA AD 2025–0281, dated December 11, 2025 (EASA AD 2025–0281) (also referred to as the MCAI), issued by EASA, which is the Technical Agent for the Member States of the European Union. The MCAI states that new or more restrictive tasks and limitations have been developed. These include adding life limits for the control column pitch trim relay. The MCAI also states that failure to accomplish these instructions could result in an unsafe condition.

In the NPRM, the FAA proposed to require revising the ALS of the existing AMM or ICA for the airplane and the existing approved maintenance or inspection program, as applicable, by incorporating new or more restrictive actions and associated thresholds and intervals, including any life limits, specified in EASA AD 2025–0281. The FAA is issuing this AD to address failure of certain parts, which could result in loss of control of the airplane.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–3474.

Discussion of Final Airworthiness Directive

Comments

The FAA received comments from two commenters. The commenters were Pilatus and an individual commenter. The commenters requested changes to the proposed compliance requirements, applicability, and cost estimates. The following presents the comments received on the NPRM and the FAA's response to each comment.

Request To Revise Cost Estimate

An individual commenter requested that the FAA revise the Costs of Compliance section of the NPRM to include the labor and parts costs associated with performing the eddy current inspections and replacing the control column pitch trim relay, rather than only including the cost of revising the maintenance or inspection program. The commenter stated that estimating a cost of $85 per airplane does not reflect the actual economic impact on operators. The commenter further stated that eddy current inspections require specialized personnel and equipment and that excluding those costs understates the regulatory burden on small-scale and independent operators.

The FAA disagrees with expanding the Costs of Compliance to account for the actions required by the ALS revision. The FAA does not include the costs associated with accomplishing future repetitive maintenance actions required by an ALS revision. The FAA estimates only the costs associated with