

COMPLIANCE & REGULATORY UPDATE

Dear Credit Union CEOs and Compliance Professionals,

Continuing on its **Deregulation Project** and our **prior communications**, the NCUA released new proposals outlined below. As previously mentioned, the NCUA will release **new proposals every two weeks** throughout 2026, systematically reviewing regulations to ensure they focus on credit union safety, soundness, and resilience.

* Denotes proposals that apply to both federally chartered and state chartered federally insured credit unions.

Round 8 Proposals

* **Third-Party Servicing of Indirect Vehicle Loans** (12 CFR 701.21(h) and 741.203(c))

Removes limits on federally insured credit unions' ability to purchase or participate in indirect auto loans serviced by a third party

- Allows credit unions and their boards greater flexibility to decide what amount of purchased indirect vehicle loans serviced by third parties is appropriate for the credit union's size, the complexity of the transactions, and the board's risk tolerance.
- Under the current regulation, a credit union can only invest up to 50% of its net worth in indirect auto loans serviced by a third party. After 30 months of experience with a particular servicer, a credit union can invest up to 100% of its net worth. The proposed rule would remove these limitations.

Your Requested Input

We want to hear from you. Do any of these proposals significantly impact your operations, positively or negatively? Do you have concerns about these deregulation efforts or suggestions that should be included in potential comment letters?

Please send your detailed feedback to Jeremy Newman, Vice President of Legislative and Regulatory Affairs at jeremy.newman@nycua.org by **May 19** for round eight.

Thank you for your continued engagement.



© 2026 New York Credit Union Association
4 Tower Place, 5th Floor, Albany NY 12203
Email: publications@nycua.org

[Email Preferences / Unsubscribe](#)