



NCUA Deregulation Project - Input Requested on First Eight Proposals

The NCUA has launched a comprehensive **Deregulation Project** to review all existing regulations and eliminate those that are obsolete, duplicative, overly burdensome, or better suited as guidance rather than requirements. According to the NCUA, it will release approximately four new proposals every two weeks throughout 2026, systematically reviewing regulations to ensure they focus on credit union safety, soundness, and resilience. The first eight proposals are now available for comment. We will provide similar updates for each new round of proposals.

Round 1 Proposals (Comments due February 9, 2026)

1. Corporate Credit Union Governance (12 CFR 704.8 and 704.15)

- Removes requirement for ALCO board member representation
- Eliminates annual report and accountant filing requirements

2. Supervisory Committee Audits (12 CFR 715)

- Streamlines audit requirements by removing outdated/duplicative provisions
- Reduces prescriptive language while maintaining audit integrity

3. & 4. Guidelines for Safeguarding Member Information (12 CFR 748 Appendix A) and Guidance on Response Programs for Unauthorized Access to Member Information and Member Notice (12 CFR 748 Appendix B)

- Moves safeguarding and breach response guidance from regulations to Letters to Credit Unions

- Maintains requirements but provides implementation flexibility

Round 2 Proposals (Comments due February 27, 2026)

5. Limits on Loans to Other Credit Unions (12 CFR 701.25(b))

- Removes duplicative board approval and policy requirements
- Maintains statutory protections and lending limits

6. Catastrophic Act Reporting (12 CFR 748.1(b))

- Extends reporting timeframe from 5 business days to 15 calendar days
- Modernizes reporting process and reduces documentation burden

7. Accuracy of Advertising and Notice of Insured Status (12 CFR 740.0 and 740.5)

- Eliminates mandatory official advertising statement requirements
- Maintains office signage requirements and truthful advertising standards

8. Surety and Guarantor Requirements (12 CFR 701.20(c)(3) and (d))

- Removes rigid segregated deposit and collateral requirements
- Allows risk-based approach while maintaining lending regulation compliance

Expected Impact

These proposals collectively offer significant benefits:

- **Reduced compliance costs**
- **Greater operational flexibility** in governance and product design
- **Streamlined reporting** and documentation requirements
- **Enhanced marketing capabilities** through advertising reform
- **Modernized crisis response** procedures

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 feedback to Jeremy Newman, Association Vice President of Legislative and Regulatory Affairs at jeremy.newman@nycua.org by **February 1 for Round 1 Proposals** and by **February 20 for Round 2 Proposals**.

Thank you for your continued engagement.



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