



DCUC
DEFENSE CREDIT UNION COUNCIL

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October 1, 2025

Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1776 Duke Street
Alexandria, VA 22314-3428

RE: Regulatory Publication and Voluntary Review as Contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 [NCUA-2024-0014]

Dear Ms. Conyers-Ausbrooks:

The Defense Credit Union Council (DCUC)¹ welcomes the opportunity to provide feedback on the National Credit Union Administration's (NCUA) voluntary review of its existing regulations under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).² DCUC represents credit unions that serve active-duty military, veterans, and their families, and our comments reflect the unique needs of these members and the broader credit union system.

Congress enacted section 2222³ of the EGRPRA to reduce the regulatory burden imposed upon insured depository institutions consistent with safety and soundness, to promote consistency between the Federal banking agencies' regulations, and to support consumer protection.⁴ The statute requires that at least every ten years, the Federal Financial Institutions Examination Council (FFIEC) and the Federal banking agencies review their regulations to identify outdated or otherwise unnecessary requirements imposed on insured depository institutions. While the NCUA is not statutorily required to participate in the EGRPRA review because it is not an "appropriate Federal banking agency" as specified in EGRPRA, it has elected to participate in the review process, which demonstrates a meaningful commitment to burden reduction, transparency, and interagency collaboration.⁵ DCUC commends the NCUA for its proactive approach.

¹ The Defense Credit Union Council represents more than 200 defense-affiliated credit unions and over 40 million members—including active-duty servicemembers, Guard and Reserve personnel, veterans, Department of Defense civilians, and military families.

² See also NCUA Interpretive Ruling and Policy Statements (IRPS) Nos. 87-2, 03-2, 13-1, and 15-1 (guiding NCUA's rulemaking approach).

³ 12 U.S.C. § 3311.

⁴ See 90 Fed. Reg. 30596 (July 10, 2025).

⁵ *Id.*

GENERAL COMMENTS

DCUC strongly supports the NCUA's willingness to reexamine regulations to identify provisions that are outdated, duplicative, or burdensome while maintaining the safety and soundness of federally insured credit unions. To enhance its review, we recommend that NCUA do the following:

1. Expand Stakeholder Engagement: It would benefit the agency to conduct roundtable discussions, town-hall meetings, listening sessions, and other outreach activities with credit unions and other stakeholders as a helpful supplement and to provide context to the information received through this request for comment. These interactions will allow stakeholders to provide detailed examples of real-world compliance concerns for the agency's reference.
2. Strengthen Interagency Coordination: Because credit unions are subject to regulations issued by agencies such as the Consumer Financial Protection Bureau (CFPB), which conducts its own regulatory review separate from EGRPRA,⁶ interagency coordination is critical to avoid duplicative or counterproductive requirements. NCUA's active role in the FFIEC and the Financial Stability Oversight Council (FSOC) is essential to educating peer regulators on the credit union cooperative model. While the NCUA has a comprehensive understanding of the different objectives and business model of credit unions compared to the for-profit banking industry, this level of understanding does not always extend to other federal regulators that develop policies and regulations that impact credit unions. Other agencies do not always appreciate the credit union business model or fully comprehend how credit unions serve their members because their interaction with the industry is limited.

The NCUA's active presence and role in interagency forums, such as the FFIEC and the FSOC, can serve to educate its regulatory counterparts on the credit union model and advocate for fair treatment of credit unions in interagency policies. Given the NCUA is operating with fewer full-time employees than in recent years,⁷ we encourage the agency to prioritize its resources to ensure active and consistent representation in such groups.

3. Improve Implementation Timelines: Compliance deadlines for regulatory changes often do not allow sufficient time for credit unions, especially smaller institutions, to modify their systems and update policies and procedures. We urge the NCUA to adopt longer phase-in timelines for compliance with new regulatory requirements, especially for smaller credit unions.
4. Enhance Industry Education: We encourage the NCUA to accompany regulatory changes with compliance guides, check lists, and FAQs that credit unions can use to ensure compliance. The NCUA should also conduct webinars for the industry describing any upcoming regulatory changes, providing guidance on supervision, and taking questions

⁶ See 12 U.S.C. § 5512(d).

⁷ See NCUA, [*NCUA's Voluntary Separation Program*](#), presented at NCUA Board Meeting (May 21, 2025).

SPECIFIC COMMENTS

For purposes of this review, the NCUA is asking for feedback on regulations under the three categories of Capital, Agency Programs, and Consumer Protection. DCUC's comment letter compliments its July 23, 2025, letter submitted on the NCUA's annual regulatory review which it conducts for one-third of its regulations.⁸

Capital

In December 2021, the NCUA finalized a rule (effective January 1, 2022) establishing the Complex Credit Union Leverage Ratio (CCULR) as a simplified alternative to risk-based capital (RBC) requirements for complex credit unions, or those with total assets greater than \$500 million.⁹ Under the final rule, a complex credit union that maintains a minimum net worth ratio of 9 percent, and that meets other qualifying criteria, is eligible to opt into the CCULR framework.

DCUC appreciates that the NCUA has an optional and simplified capital framework for "complex" credit unions like the banking system's Community Based Leverage Ratio. Nevertheless, we recommend the following:

1. Lower the CCULR Threshold: The NCUA should adjust the CCULR threshold to 8.5 percent or greater instead of 9 percent or greater to better balance safety and soundness with the need for operational flexibility and member service.¹⁰
2. Reevaluate PCA Net Worth Categories: The NCUA should review the PCA net worth thresholds and reevaluate whether these thresholds can be slightly adjusted downward to provide credit unions with more flexibility and regulatory relief.¹¹ A slight recalibration may be warranted given credit unions' financial position, cooperative model, and current risks to the system.

Agency Programs

DCUC has long supported the NCUA's Central Liquidity Facility (CLF) as an important federal liquidity backstop during times of economic stress or market disruption. The CLF enhances the financial stability of credit unions by providing a guaranteed source of liquidity to member credit unions. However, when the temporary statutory enhancements to the CLF expired in 2022, thousands of smaller credit unions lost access to this essential line of protection, leaving the system more vulnerable at a time when economic uncertainty persists.

Because DCUC agrees with the NCUA that liquidity is an ongoing risk to the credit union industry, as the agency highlighted in its 2024 Annual Report and supervisory priorities,¹² we

⁸ See [Comment Letter of the Defense Credit Union Council to the NCUA](#), (July 23, 2025).

⁹ See 86 Fed. Reg. 72784 (Dec. 23, 2021) (codified at 12 C.F.R. pts. 702, 703).

¹⁰ See 12 C.F.R. § 702.102(a)(1)(ii)(A).

¹¹ See 12 C.F.R. § 702.102(a).

¹² See NCUA, [2024 Annual Report](#), at 25-26 (2025) ("Increased uncertainty in interest rate levels and economic conditions heightened the need for credit unions to prepare for contingency funding needs.").

encourage it to continue its advocacy for statutory amendments to the Federal Credit Union Act that provide greater flexibility for credit unions to access the CLF.¹³

Specifically, we urge the NCUA to educate Congress on the need for enhancements to the CLF to:

1. Raise its borrowing capacity from 12 to 16 times the subscribed capital stock and surplus,
2. Allow corporate credit unions to borrow for their own needs, and
3. Enable agent members to join and serve smaller groups of their covered institutions.¹⁴

These changes will increase credit unions' access to the CLF, ensuring they are protected during times of economic stress.

Consumer Protection Regulations

Several consumer protection regulations have not kept pace with technological innovation or consumer expectations. For example, the Truth in Savings Act (TISA) requirements, which the NCUA implements for credit unions, were developed in the early 1990s, in an era of paper-based disclosures and in-person banking.¹⁵ Regulation DD is the regulation for TISA implemented by the CFPB for depository institutions, except credit unions. However, the NCUA's regulation for credit unions must be "substantially similar" to Regulation DD. Therefore, DCUC encourages the NCUA to, with the CFPB, conduct an extensive regulatory review to completely modernize Regulation DD to:

1. Allow for greater and more flexible use of electronic and mobile delivery for account disclosures, supplemental disclosures, and advertising,
2. Create requirements for more streamlined and understandable account disclosures that can be effectively communicated electronically, and
3. Provide flexibility for de minimis account changes without triggering notice or re-disclosure requirements.

Both agencies should actively engage the credit union industry for feedback on operational issues before developing proposed changes to modernize Truth in Savings Act regulations.

DCUC thanks the NCUA for undertaking this voluntary review. We share the agency's commitment to safety, soundness, and consumer protection, and believe that targeted reforms will reduce unnecessary burdens while increasing effective service to credit union members.

¹³ See Todd M. Harper, Chairman, NCUA, *Public Statement at the NCUA Board Meeting* (Nov. 21, 2024) ("While the CLF is growing in capacity, the congressional restoration of the expired CLF statutory enhancements — like the agent-membership provisions for corporate credit unions to serve a subset of their members — would serve the whole system well. That's why the NCUA Board continues to call upon Congress to reinstate these provisions. In fact, we're unanimous in our views here.").

¹⁴ See Defense Credit Union Council Letter to NCUA Chairman Hauptman, (Aug. 20, 2025) (asking for continued support for S. 2545, the "Central Liquidity Facility Enhancement Act").

¹⁵ See Truth in Savings Act, 12 U.S.C. §§ 4301-4313; Regulation DD, 12 C.F.R. pt. 707.

DCUC welcomes continued dialogue and collaboration on these issues moving forward. If you have questions or would like to discuss our comments further, please contact me at jstverak@dcuc.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Stverak", with a long horizontal flourish extending to the right.

Jason Stverak
Chief Advocacy Officer
DCUC