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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Chapter VII

[NCUA–2024–0014]

Regulatory Publication and Voluntary Review as Contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notification of regulatory review; request for comments.

SUMMARY: As contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA), the NCUA Board (Board) is voluntarily reviewing agency regulations to identify rules that are outdated, unnecessary, or unduly burdensome on federally insured credit unions. The NCUA is not statutorily required to undertake the EGRPRA review; however, the Board has elected to participate in the decennial review process. The NCUA divided its regulations into 10 categories outlined in the included chart. Over approximately 2 years, the NCUA is publishing four **Federal Register** documents each requesting comment on multiple categories of regulations. This second **Federal Register** document requests comment on regulations in the categories of “Agency Programs,” “Capital,” and “Consumer Protection.” The NCUA will address the remaining five categories in the next two documents.

DATES: Comments must be received by October 8, 2025.

ADDRESSES: You may submit written comments by any of the following methods (Please send comments by one method only):

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. The docket number for this document is NCUA–2024–0014. Follow the instructions for submitting comments. A plain language

summary of the document is also available on the docket website.

- *Mail:* Address to Melane Conyers-Ausbrooks, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428.

- *Hand Delivery/Courier:* Same as mailing address.

Public Inspection: You may view all public comments on the Federal eRulemaking Portal at <https://www.regulations.gov>, as submitted, except for those we cannot post for technical reasons. The NCUA will not edit or remove any identifying or contact information from the public comments submitted. If you are unable to access public comments on the internet, you may contact the NCUA for alternative access by calling (703) 518–6540 or emailing OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Pamela Yu, Special Counsel to the General Counsel, Office of General Counsel, at the above address or telephone (703) 518–6540.

SUPPLEMENTARY INFORMATION:

I. Introduction

Congress enacted section 2222 of the EGRPRA ¹ to reduce 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. The statute requires that not less frequently than once every 10 years, the Federal Financial Institutions Examination Council (FFIEC),² along with the Federal banking agencies,³ conduct a review of their regulations to

¹ 12 U.S.C. 3311.

² The FFIEC is an interagency body empowered to prescribe uniform principles, standards, and report forms for the Federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of financial institutions. The FFIEC does not issue regulations.

³ The FFIEC is composed of the OCC, FRB, FDIC, NCUA, Consumer Financial Protection Bureau (CFPB), and State Liaison Committee. Of these, only the OCC, FRB, and FDIC are statutorily required to undertake the EGRPRA review. The NCUA Board elected to participate in the first and second EGRPRA reviews and again has elected to participate in this review process. Consistent with its approach during the first and second EGRPRA reviews, the NCUA is issuing documents and requests for comment on its rules separately. The CFPB is required to review its significant rules and publish a report of its review no later than 5 years after they take effect. See 12 U.S.C. 5512(d). This process is separate from the EGRPRA process.

identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions. In conducting this review, the FFIEC or the appropriate Federal banking agencies (Office of the Comptroller of the Currency [OCC], Board of Governors of the Federal Reserve System [FRB], and Federal Deposit Insurance Corporation [FDIC]; herein Agencies ⁴) shall (a) categorize their regulations by type and (b) at regular intervals, provide notice and solicit public comment on categories of regulations, requesting commenters to identify areas of regulations that are outdated, unnecessary, or unduly burdensome.⁵

The NCUA is not statutorily required to undertake the EGRPRA review because the NCUA is not an “appropriate Federal banking agency” as specified in EGRPRA. In keeping with the spirit of the law, however, the NCUA Board has once again elected to participate in the decennial review process. Accordingly, the NCUA has participated along with the Agencies in the planning process but has developed its own regulatory categories that are comparable with those developed by the Agencies. Because of the unique circumstances of federally insured credit unions and their members, the Board is issuing a separate document from the Agencies. The NCUA’s document is consistent and comparable with the Agencies’ document, except on issues that are unique to credit unions.

EGRPRA also requires the FFIEC or the Agencies to publish in the **Federal Register** a summary of the comments received, identifying significant issues raised and commenting on these issues. It also directs the Agencies to eliminate unnecessary regulations to the extent

⁴ The Office of Thrift Supervision (OTS) was still in existence at the time EGRPRA was enacted and was included in the listing of Agencies. Since that time, the OTS has been eliminated and its responsibilities have passed to the Agencies and the CFPB.

⁵ Federally insured credit unions are also subject to regulations that are not reviewed under this decennial review process because they were not promulgated by the NCUA. Examples include rules for which rulemaking authority was transferred to the CFPB and anti-money laundering and Bank Secrecy Act regulations issued by the Department of the Treasury’s Financial Crimes Enforcement Network, among others. If, during this decennial review process, the NCUA receives a comment about a regulation that is not subject to NCUA review, it will forward that comment to the appropriate agency.

that such action is appropriate. Finally, the statute requires the FFIEC to submit to Congress a report that summarizes any significant issues raised in the public comments and the relative merits of those issues. The report also must include an analysis of whether the Agencies are able to address the regulatory burdens associated with such issues or whether these burdens must be addressed by legislative action. The FFIEC report submitted to Congress following the prior EGRPRA reviews included a section discussing the Agencies and banking sector issues and a separate section devoted to the NCUA and credit union issues. It is likely that the FFIEC will follow a similar approach in this third EGRPRA review and report process.

Per the objectives of the decennial review, the Board asks the public to identify areas of the NCUA's regulations that are outdated, unnecessary, or unduly burdensome. In addition to this second document, the Board will issue two more documents for comment over the course of approximately 2 years, at regular intervals. The decennial review supplements and complements the reviews of regulations that the NCUA conducts under other laws and its internal policies.⁶

II. The Decennial Review's Targeted Focus

The decennial regulatory review provides a significant opportunity for the public and the Board to consider groups of related regulations and identify possibilities for streamlining and improvement. The decennial review's overall focus on the totality of regulations will offer a new perspective in identifying opportunities to update and even streamline regulations. For example, the decennial review may facilitate the identification of regulatory requirements that are no longer consistent with the way credit union business is conducted and that, therefore, might be eliminated. Of course, regulatory updates must be compatible with ensuring the continued safety and soundness of federally insured credit unions and the financial system as a whole and with the consumer financial protections.

Any resulting regulatory modifications from the NCUA's decennial review must also be consistent with the NCUA's statutory mandates, many of which require the

issuance of regulations. EGRPRA recognizes that effective burden reduction may require statutory changes. Accordingly, as part of this review, the Board is specifically soliciting comment from the public on, and reviewing the comments and regulations carefully for, the relationship among burden reduction, regulatory requirements, policy objectives, and statutory mandates. The Board also seeks quantitative data about the impact of rules, where available.

The Board views the approach of considering the relationship of regulatory and statutory change, in concert with EGRPRA's provisions calling for grouping regulations by type, to provide the potential for particularly effective burden reduction. The Board anticipates the decennial review will also contribute to its ongoing efforts to update and make regulations more efficient. Since 1987, under a formally adopted NCUA policy, the Board reviews each of its regulations at least once every 3 years with a view toward eliminating, simplifying, or otherwise easing the burden of each regulation.⁷ Further, the Board considers regulatory requirements each time it proposes, adopts, or amends a rule. For example, under the Paperwork Reduction Act of 1995,⁸ the Regulatory Flexibility Act,⁹ and internal agency policies, the NCUA assesses each rulemaking with respect to the burdens the rule might impose. The Board also invites the public to comment on proposed rules as generally required by the Administrative Procedure Act.¹⁰

The Board is particularly sensitive to the impact of agency rules on small institutions. The Board currently defines "small entity" as a federally insured credit union with less than \$100 million in assets.¹¹ The Board is cognizant that each new or amended regulation has the potential for requiring significant expenditures of time, effort, and resources to achieve compliance, and that this burden can be particularly challenging for institutions of smaller asset size, with fewer resources available.

III. The Board's Review Process

EGRPRA contemplates the categorization of regulations by "type." During its prior decennial reviews, the Board developed and published for comment 10 categories of the NCUA's

regulations, including some that had been issued jointly with the Agencies. The Board believes these prior categories worked well for the purpose of presenting a framework for the review and proposes to use the same categories in this third review.¹² The categories are:

- Applications and Reporting;
- Powers and Activities;
- Agency Programs;
- Capital;
- Consumer Protection;¹³
- Corporate Credit Unions;
- Directors, Officers and Employees;
- Anti-Money Laundering and Bank Secrecy Act;
- Rules of Procedure; and
- Safety and Soundness.

Any rules adopted for the first time since the last decennial review was completed have been incorporated into the appropriate category.¹⁴

Although there are other possible ways of categorizing its rules, the Board continues to maintain that these 10 categories are logical groupings that are not so broad such that the number of regulations presented in any one category would overwhelm potential commenters. In the Board's view, these categories also reflect recognized areas of stakeholder interest and specialization or are particularly critical to the health of the credit union system. As was noted during the previous reviews, some regulations, such as lending, pertain to more than one category and are included in all applicable categories.

As with the prior decennial reviews, the Board remains convinced that publishing the NCUA's rules for public comment adjacently, but separately, from the Agencies is the most effective method for achieving EGRPRA's burden reduction goals for federally insured credit unions. In addition to not being statutorily required to undertake EGRPRA and owing to differences in the credit union system as compared to the banking system, there is not a direct, category by category, correlation between the NCUA's rules and those of

¹² Consistent with EGRPRA's focus on reducing burden on insured depository institutions, the Board has not included internal, organizational, or operational regulations in this review. These regulations impose minimal, if any, burden on federally insured credit unions.

¹³ The Board is seeking comment only on consumer protection regulations for which it retains rulemaking authority for insured credit unions under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–203, 124 Stat. 1376 (2010) (Dodd-Frank Act).

¹⁴ Commenters should note, in this respect, that for new regulations that have only recently gone into effect, some passage of time may be necessary before the effect associated with the regulatory requirements can be fully and properly understood.

⁶ Interpretive Ruling and Policy Statement (IRPS) 87–2, 52 FR 35231 (Sept. 8, 1987) as amended by IRPS 03–2, 68 FR 32127 (May 29, 2003) (Reflecting the NCUA's commitment to "periodically update, clarify and simplify existing regulations and eliminate redundant and unnecessary provisions.").

⁷ IRPS 87–2, 52 FR 35231 (Sept. 8, 1987) as amended by IRPS 03–2, 68 FR 32127 (May 29, 2003).

⁸ 44 U.S.C. 3501–3521.

⁹ 5 U.S.C. 610.

¹⁰ 5 U.S.C. 551–559.

¹¹ NCUA IRPS 15–1, 80 FR 57512 (Sept. 24, 2015).

the Agencies. For example, credit union membership, credit union service organizations, and corporate credit unions are all unique to credit union operations. Similarly, certain categories identified by the Agencies in their review process have limited or no applicability in the credit union sector, such as community reinvestment, international operations, and securities. The categories developed by the Board and the Agencies, respectively, reflect these differences. The Board intends to maintain comparability with the Agencies' documents to the extent there is overlap or similarity in the issues and the categories.

Over approximately two years, the Board is publishing four **Federal Register** documents, each addressing one or more categories of rules. Each **Federal Register** document will have a 90-day comment period. This staggered approach will provide stakeholders with sufficient time to focus in on discrete issues and provide comments to the Board. The Board welcomes recommendations on grouping the remaining categories and the order in which to publish them.

On May 23, 2024, the Board published the first document addressing the following categories of regulations: Applications and Reporting and Powers and Activities.¹⁵ This second notice addresses the following categories of regulations:

- Agency Programs;
- Capital; and
- Consumer Protection.

The Board invites the public to identify outdated, unnecessary, or unduly burdensome regulatory requirements imposed on federally insured credit unions in these three categories. The Board anticipates publishing the remaining five categories for similar comment periods at regular intervals over approximately two years.

The Board has prepared two charts to assist the public's understanding of the organization of its review. The first chart, set forth at section V.A. below, presents the three categories of regulations on which the NCUA is requesting recommendations in this document. The three categories are shown in the left column. In the middle column are the subject matters that fall within the categories and in the far-right column are the regulatory citations. The second chart, set forth at section V.B. below, presents the remaining five categories in a similar format.

After the conclusion of the comment period for each decennial document published in the **Federal Register**, the

Board will review the comments it has received and decide whether further action is appropriate with respect to the categories of regulations included in that document. The NCUA and the Agencies will consult and coordinate with each other and expect generally to make this determination jointly, as appropriate, in the case of rules that have been issued on an interagency basis. Similarly, as appropriate, the NCUA and the Agencies will undertake any rulemaking to amend or repeal those rules on an interagency basis. For rules issued by the NCUA, the Board will review the comments received and independently determine whether amendments to or repeal of its rules are appropriate.

IV. Request for Recommendations About Three Categories of Regulations: Agency Programs; Capital; and Consumer Protection

The Board seeks public comment on regulations within the second three categories—Agency Programs, Capital, and Consumer Protection—that may impose outdated, unnecessary, or unduly burdensome regulatory requirements on federally insured credit unions. The Board recognizes that there are proposed rules concerning some of these categories open as of the date of this document and will solicit comment on all rules finalized by the agency before the publication of the last document in the series. In addition to comments on regulations in these categories generally, the Board is requesting comments on certain specific regulations described below within these categories issued since the last decennial review. The NCUA's review efforts would benefit most by comments that cite specific provisions or language and provide reasons why such provisions should be changed. Suggested alternative provisions or text, where appropriate, would also be helpful. If the implementation of a comment would require modifying a statute that underlies the regulation, the comment should, if possible, identify the needed statutory change. The Board will consider comments submitted anonymously.

Specific Issues for Commenters To Consider

While all comments related to any aspect of the review are welcome, the Board reiterates the posture adopted during the previous decennial reviews and specifically invites comment on the following issues as they pertain to the Board's Agency Programs, Capital, and Consumer Protection rules addressed in this document. The Board has included

two additional questions in the cumulative effects category since the issuance of the first decennial review document. The Board will ask these same questions for each subsequent document it issues in connection with the decennial process and invites comments on these additional questions for the categories in the first document.

- *Need and purpose of the regulations.*

- *Question 1:* Have there been changes in the financial services industry, consumer behavior, or other circumstances that cause any regulations in these categories to be outdated, unnecessary, or unduly burdensome? If so, please identify the regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.

- *Question 2:* Do any of these regulations impose burdens not required by their underlying statutes? If so, please identify the regulations and indicate how they should be amended.

- *Overarching approaches or flexibilities.*

- *Question 3:* With respect to the regulations in these categories, could the Board use a different regulatory approach to lessen the burden imposed by the regulations and achieve statutory intent?

- *Question 4:* Do any of these rules impose unnecessarily inflexible requirements? If so, please identify the regulations and indicate how they should be amended.

- *Cumulative effects.*

- *Question 5:* Looking at the regulations in a category as a whole, are there any requirements that are redundant, inconsistent, or overlapping in such a way that taken together, impose an unnecessary burden that could potentially be addressed? If so, please identify those regulations, provide any available quantitative analyses or data, and indicate how the regulations should be amended.

- *Question 6:* Have the NCUA and the Agencies issued similar regulations in the same area that should be considered together as bodies of regulation, when assessing the cumulative effects on an insured credit union? If so, please identify the regulations, why they should be considered together, and any available analyses or data for the Board's consideration.

- *Question 7:* Could any regulations or category of regulation be streamlined or simplified to reduce unduly burdensome or duplicative regulatory requirements?

- *Effect on competition.*

¹⁵ 89 FR 45602 (May 23, 2024).

- *Question 8:* Do any of the regulations in these categories create competitive disadvantages for one part of the financial services industry compared to another or for one type of federally insured credit union compared to another? If so, please identify the regulations and indicate how they should be amended.

- *Reporting, recordkeeping, and disclosure requirements.*

- *Question 9:* Do any of the regulations in these categories impose outdated, unnecessary, or unduly burdensome reporting, recordkeeping, or disclosure requirements on federally insured credit unions?

- *Question 10:* Could a federally insured credit union fulfill any of these requirements through new technologies (if they are not already permitted to do so) and experience a burden reduction? If so, please identify the regulations and indicate how they should be amended.

- *Unique characteristics of a type of institution.*

- *Question 11:* Do any of the regulations in these categories impose requirements that are unwarranted by the unique characteristics of a particular type of federally insured credit union? If so, please identify the regulations and indicate how they should be amended.

- *Clarity.*

- *Question 12:* Are the regulations in these categories clear and easy to understand?

- *Question 13:* Are there specific regulations for which clarification is needed? If so, please identify the regulations and indicate how they should be amended.

- *Impact to minority depository institutions and small insured institutions.* The Board has a particular interest in minimizing burden on minority depository institutions and small insured credit unions (those with less than \$100 million in assets).

- *Question 14:* Are there regulations in these categories that impose outdated, unnecessary, or unduly burdensome requirements on a substantial number of minority or small institutions?

- *Question 15:* Has the Board issued regulations pursuant to a common statute that, as applied by the NCUA and Agencies, create redundancies or impose inconsistent requirements?

- *Question 16:* Should any of these regulations be amended or repealed to minimize this impact? If so, please identify the regulations and indicate how they should be amended.

- *Question 17:* Have the effects of any regulations in these categories changed over time that now have a significant economic impact on a substantial

number of minority or small institutions? If so, please identify the regulations and indicate how they should be amended. The Board seeks information on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates, or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

- *Scope of rules.*

- *Question 18:* Is the scope of each rule in these categories consistent with the intent of the underlying statute(s)?

- *Question 19:* Could the Board amend the scope of a rule to clarify its applicability or reduce the burden, while remaining faithful to statutory intent? If so, please identify the regulations and indicate how they should be amended.

- *Impact to credit union member-owners.*

- *Question 20:* Are there regulations in these categories that unduly or negatively impact credit union member-owners? If so, please identify the regulations and indicate how they should be amended.

*Specific NCUA Regulations Issued Since the Last Decennial Review*¹⁶

- *Community Development Revolving Loan Fund.* In November 2016, the Board finalized a rule to make several amendments to the NCUA's regulation governing the Community Development Revolving Loan Fund (CDRLF) to make the rule more succinct and improve its transparency, organization, and ease of use by credit unions. The amendments were largely technical in nature or clarified the NCUA's practices with respect to disbursing money from the CDRLF. For example, the final rule removed unnecessary and duplicative definitions; removed an aggregate loan limit to allow the NCUA to grant CDRLF loans in excess of \$300,000 and to meet changing loan demands; clarified the procedures a credit union must follow to apply for a loan or grant from the CDRLF; and clarified that appeals rights applies to both loans and technical assistance grants.

¹⁶ For the last decennial review, the Board's second document requesting public comment on the NCUA's regulations was issued on December 19, 2014, with a comment period that ended on March 19, 2015. See 79 FR 75763 (December 19, 2014). Accordingly, the Board is currently requesting public comment on the Board's regulations issued since March 2015, that pertain to Agency Programs, Capital, and Consumer Protection.

- *Minority Depository Institution Preservation Program.*

- In 2010, Congress enacted Section 367 of the Dodd Frank Wall Street Reform and Consumer Protection Act, which required the NCUA, FRB, and OCC to comply with the goals of the Financial Institutions Reform, Recovery and Enforcement Act of 1998 to preserve and promote minority depository institutions. In June 2015, the Board issued a final Interpretive Ruling and Policy Statement (IRPS 13–1) to establish a Minority Depository Institution Preservation Program for federally insured credit unions. Recognizing the important role of minority depository institutions in minority communities, the Board issued the final IRPS to implement a program of proactive steps and outreach efforts to preserve minority ownership in the credit union industry. IRPS 13–1 prescribes the program's eligibility criteria and its features.

- The Board issued revisions to IRPS 13–1 in February 2024. The revisions included updating the administering office to reflect the agency's current structure; clarifying that the meaning of "community it services," means a credit union's field of membership; adding a reference to agency guidance to examiners regarding supervision of minority depository institutions; clarifying the process for reviewing a minority depository institution's designation status; and adding new subsection headings and expanding the discussion of agency actions and policies in the areas of minority depository institution engagement, technical assistance, examinations of minority depository institutions, grants and loans, and training.

- *Risk-Based Capital.*

- In October 2015, the Board amended the NCUA's regulations regarding prompt corrective action (PCA) to require that credit unions taking certain risks hold capital commensurate with those risks. The risk-based capital provisions apply only to federally insured, natural-person credit unions with assets over \$100 million. The overarching intent was to reduce the likelihood of a relatively small number of high-risk outliers exhausting their capital and causing systemic losses—which, by law, all federally insured credit unions would have to pay through the National Credit Union Share Insurance Fund (NCUSIF). The final rule restructured NCUA's PCA regulations and made various revisions, including amending the agency's existing risk-based net worth requirement by replacing it with a new risk-based capital ratio for federally

insured, natural-person credit unions. The risk-based capital requirement set forth in the rule was more consistent with NCUA's risk-based capital measure for corporate credit unions and, as the law requires, more comparable to the regulatory risk-based capital measures used by the FDIC, FRB, and OCC. The final rule also eliminated several provisions in NCUA's PCA regulations, including provisions relating to the regular reserve account, risk-mitigation credits, and alternative risk weights.

- In November 2018, the Board issued a supplemental final rule to delay the effective date of the NCUA's October 29, 2015, final rule regarding risk-based capital for one year, moving the effective date from January 1, 2019, to January 1, 2020. The final rule also amended the definition of a "complex" credit union adopted in the 2015 final rule for risk-based capital purposes by increasing the threshold level for coverage from \$100 million to \$500 million. These changes provided covered credit unions and the NCUA with additional time to prepare for the rule's implementation and exempted an additional 1,026 credit unions from the risk-based capital requirements of the 2015 final rule without subjecting the NCUSIF to undue risk.

- The Board further amended the NCUA's previously revised PCA regulations in December 2019. The final rule delayed the effective date of both the NCUA's October 29, 2015, final rule regarding risk-based capital and the NCUA's November 6, 2018, supplemental final rule regarding risk-based capital, moving the effective date from January 1, 2020, to January 1, 2022.

- *Transition to the Current Expected Credit Loss Methodology.* A final rule issued in June 2021 facilitated the transition of federally insured credit unions to the current expected credit loss (CECL) methodology required under Generally Accepted Accounting Principles (GAAP). The final rule provided that, for purposes of determining a federally insured credit union's net worth classification under the PCA regulations, the Board would phase-in the day-one adverse effects on regulatory capital that may result from adoption of CECL. Consistent with regulations issued by the other federal banking agencies, the final rule temporarily mitigated the adverse PCA consequences of the day-one capital adjustments, while requiring that federally insured credit unions account for CECL for other purposes, such as Call Reports. The final rule also provided that federally insured credit unions with less than \$10 million in assets were no longer required to

determine their charges for loan losses in accordance with GAAP. These credit unions could instead use any reasonable reserve methodology (incurred loss), provided that it adequately covered known and probable loan losses.

- *Capital Planning and Stress Testing.*

- In July 2015, the Board issued amendments to the regulation governing credit union capital planning and stress testing. Capital planning requires covered credit unions to assess their financial condition and risks over the planning horizon under both expected and unfavorable conditions. Annual supervisory stress testing allows NCUA to obtain an independent test of these credit unions under stress scenarios. By setting a regulatory minimum capital ratio under stress, the regulation requires covered credit unions to take corrective action before they become undercapitalized to an extent that may cause a risk of loss to the NCUSIF. The rule provides several timeframes for the formulation and submission of capital plans and for the stress testing of covered credit unions. The amendments adjusted the timing of certain events in the capital planning and stress testing cycles. The revisions to the regulation became effective January 1, 2016.

- In April 2018, the Board issued a final rule to amend the NCUA's regulations regarding capital planning and stress testing for federally insured credit unions with \$10 billion or more in assets. The final rule reduced regulatory burden by removing some of the capital planning and stress testing requirements applicable to covered credit unions. The final rule also made the NCUA's requirements more efficient by, among other things, authorizing covered credit unions to conduct their own stress tests in accordance with the NCUA's requirements and permitting covered credit unions to incorporate the stress test results into their capital plans.

- *Capital Adequacy: The Complex Credit Union Leverage Ratio; Risk-Based Capital.* In December 2021, the Board finalized a rule to provide a simplified measure of capital adequacy for federally insured, natural-person credit unions classified as complex (those with total assets greater than \$500 million). Under the final rule, a complex credit union that maintains a minimum net worth ratio, and that meets other qualifying criteria, is eligible to opt into the complex credit union leverage ratio (CCULR) framework if they have a minimum net worth ratio of nine percent. A complex credit union that opts into the CCULR framework need not calculate a risk-based capital ratio

under the NCUA's October 29, 2015 risk-based capital final rule, as amended on October 18, 2018. A qualifying complex credit union that opts into the CCULR framework and maintains the minimum net worth ratio is considered well capitalized. The final rule also made several amendments to update the NCUA's October 29, 2015 risk-based capital final rule, including addressing asset securitizations issued by credit unions, clarifying the treatment of off-balance sheet exposures, deducting certain mortgage servicing assets from a complex credit union's risk-based capital numerator, revising the treatment of goodwill, and amending other asset risk weights. The final rule was effective January 1, 2022.

- *Loans in Areas Having Special Flood Hazards.*

- In June 2015, the NCUA, OCC, FRB, FDIC, and the Farm Credit Administration (FCA), amended their regulations regarding loans in areas having special flood hazards to implement certain provisions of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA), which amended some of the changes to the Flood Disaster Protection Act of 1973 mandated by the Biggert Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act). Specifically, the final rule required the escrow of flood insurance payments on residential improved real estate securing a loan, consistent with the changes set forth in HFIAA. The final rule also incorporated an exemption in HFIAA for certain detached structures from the mandatory flood insurance purchase requirement. Furthermore, the final rule implemented the provisions of the Biggert-Waters Act related to the force placement of flood insurance. Finally, the final rule integrated the OCC's flood insurance regulations for national banks and Federal savings associations.

- In February 2019, the agencies further amended their regulations regarding loans in areas having special flood hazards to implement the private flood insurance provisions of the Biggert-Waters Act. Specifically, the final rule required regulated lending institutions to accept policies meeting the statutory definition of "private flood insurance" in the Biggert-Waters Act; and permitted regulated lending institutions to exercise their discretion to accept flood insurance policies issued by private insurers and plans providing flood coverage issued by mutual aid societies that do not meet the statutory definition of "private flood insurance," subject to certain restrictions.

- In May 2022, the agencies issued guidance reorganizing, revising, and

expanding the Interagency Questions and Answers Regarding Flood Insurance. The revised guidance was intended to assist lenders in meeting their responsibilities under Federal flood insurance law and increase public understanding of the agencies' respective flood insurance regulations. Significant topics addressed by the revisions included guidance related to major amendments to the flood insurance laws regarding the escrow of flood insurance premiums, the detached structure exemption, force placement procedures, and the acceptance of flood insurance policies issued by private insurers. With this issuance, the agencies consolidated the Questions and Answers proposed by the agencies in July 2020 and the Questions and Answers proposed by the agencies in March 2021 into one set of Interagency Questions and Answers Regarding Flood Insurance.

- *Share Insurance.*

The Board amended the NCUA's share insurance regulations in December 2015 to implement statutory amendments to the Federal Credit Union Act resulting from the enactment of the Credit Union Share Insurance Fund Parity Act. The statutory amendments required the NCUA provide enhanced, pass-through share insurance for interest on lawyers trust accounts (IOLTA) and other similar escrow accounts. As its name implies, the Insurance Parity Act ensured that NCUA and the FDIC insure IOLTAs and other similar escrow accounts in an equivalent manner.

- In February 2018, the Board adopted amendments to the NCUA's share insurance rule to provide stakeholders with greater transparency regarding the calculation of each eligible financial institution's pro rata share of a declared equity distribution from the NCUSIF. The Board also adopted a temporary provision to govern all NCUSIF equity distributions related to the Corporate System Resolution Program (CSRP), a special purpose program established by the Board to stabilize the corporate credit union system following the 2007–2009 financial crisis. The Board also made technical and conforming amendments to other aspects of the share insurance rule to account for these changes.

- The Board issued a final rule in February 2021 to amend the NCUA's share insurance regulation governing the requirements for a share account to be separately insured as a joint account by the NCUSIF. Specifically, the final rule provided an alternative method to satisfy the membership card or account signature card requirement necessary for

insurance coverage (signature card requirement). Under the final rule, even if an insured credit union cannot produce membership cards or account signature cards signed by the joint accountholders, the signature card requirement can be satisfied by information contained in the account records of the insured credit union establishing co-ownership of the share account. For example, the signature card requirement can be satisfied by the credit union having issued a mechanism for accessing the account, such as a debit card, to each co-owner or evidence of usage of the joint share account by each co-owner.

- In September 2024, the Board finalized a rule to simplify the share insurance regulations by establishing a “trust accounts” category that would provide for coverage of funds of both revocable trusts and irrevocable trusts deposited at federally insured credit unions; provide consistent share insurance treatment for all mortgage servicing account balances held to satisfy principal and interest obligations to a lender; and provide more flexibility for the NCUA to consider various records in determining share insurance coverage in liquidations.

- *Accuracy of Advertising and Notice of Insured Status.* The Board revised provisions of the NCUA's advertising rule in April 2018 to provide regulatory relief to federally insured credit unions. Previously, the advertising rule required federally insured credit unions to use the NCUA's official advertisement statement when advertising, and it permitted three versions of that statement. The revised rule allowed credit unions the option of using a fourth version: “Insured by NCUA.” To provide additional regulatory relief, the Board also expanded an existing exemption from the advertising statement requirement regarding radio and television advertisements and eliminated the requirement to include the official advertising statement on statements of condition required to be published by law.¹⁷

¹⁷ In addition to these final rules, the Board issued several temporary final rules to grant temporary regulatory relief in response to COVID–19. Because these were temporary final rules that have now expired, the Board is not seeking public comment on these final rules in this document.

- *Central Liquidity Facility.* The Board issued an interim final rule in April 2020 to provide credit unions with greater access to liquidity to help ensure they remained operational throughout the pandemic. This rule made it easier and more attractive for credit unions to join the NCUA's Central Liquidity Facility (CLF). In addition, the rule made several amendments to conform to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In March 2021, in response to the enactment of the Consolidated Appropriations Act,

The Board has not identified any rules pertaining to Agency Programs, Capital, and Consumer Protection that would have a significant impact on a substantial number of small entities. However, the Board will consider any public comments submitted through the decennial review process and agency experience to identify regulations it can

2021, (CAA) the Board issued an interim final rule to cohere the NCUA's regulations to the statutory changes made by the CAA. Specifically, the CAA extended several enhancements to the CLF, which were first enacted by the CARES Act. The rule amended the NCUA's CLF regulation to reflect the extensions. The rule also extended the withdrawal from CLF membership provisions that the Board included in the April 2020 interim final rule that made the changes related to the CARES Act.

- *Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans.* The Board issued an interim final rule in April 2020 to make a conforming amendment to the NCUA's capital adequacy regulation following the enactment of the CARES Act, which authorized the Small Business Administration to create a loan guarantee program, the Paycheck Protection Program (PPP), to help certain businesses affected by the COVID–19 pandemic. The CARES Act required that PPP loans receive a zero percent risk weighting under the NCUA's risk-based capital requirements. To reflect the statutory requirement, the interim final rule amended the NCUA's capital adequacy regulation to provide that covered PPP loans receive a zero percent risk weight. The interim final rule also provided that if the covered loan was pledged as collateral for a nonrecourse loan that was provided as part of the FRB's PPP Lending Facility, the covered loan could be excluded from a credit union's calculation of total assets for the purposes of calculating its net worth ratio. The interim final rule also made a conforming amendment to the definition of commercial loan in the NCUA's member business loans and commercial lending rule.

- *Temporary Regulatory Relief in Response to COVID–19—Prompt Corrective Action.* In May 2020, the NCUA temporarily modified certain regulatory requirements to help ensure that federally insured credit unions remained operational and liquid during the COVID–19 pandemic. Specifically, the Board issued two temporary changes to the NCUA's PCA regulations. The first amended the PCA regulations to temporarily enable the Board to issue an order applicable to all federally insured credit unions to waive the earnings retention requirement for any credit union that was classified as adequately capitalized. The second modified the regulations with respect to the specific documentation required for net worth restoration plans for federally insured credit unions that become undercapitalized. These temporary modifications were in place until December 31, 2020. In April 2021, the Board extended the temporary modifications until March 31, 2022, and in February 2022, the Board again extended the two temporary changes to the PCA regulations until March 31, 2023.

- *Asset Thresholds.* In March 2021, the Board issued a temporary interim final rule to permit federally insured credit unions to use asset data as of March 31, 2020, to determine the applicability of certain regulatory asset thresholds during calendar years 2021 and 2022. Specifically, the interim final rule allowed a federally insured credit union to use March 31, 2020, financial data when determining whether the institution was subject to capital planning and stress testing requirements under the NCUA's regulations and supervision from the Office of National Examinations and Supervision.

update that have a significant impact on a substantial number of small federally insured credit unions.¹⁸

V. The Board's Review of Regulations Under the Regulatory Flexibility Act (RFA)

The Board will use the decennial review to satisfy any potential obligations under section 610 of the RFA.¹⁹ There are no rules within the scope of the review that had a significant economic impact on a

substantial number of small entities. Regardless, consistent with the spirit of section 610 of the RFA, for each rule the Board has issued in the last 10 years, the Board invites comment on (1) the continued need for the rule; (2) the complexity of the rule; (3) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (4) the length of time since the rule has been

evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule. The purpose of the review will be to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated objectives of applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities.

Category	Subject	Regulation cite
A. Regulations About Which Comment Is Currently Requested		
3. Agency Programs	Community Development Revolving Loan Fund Access for Credit Unions	12 CFR 705.
	National Credit Union Administration Central Liquidity Facility	12 CFR 725.
	Designation of low-income status; receipt of secondary capital accounts by low-income designated credit unions.	12 CFR 701.34.
4. Capital	Capital Adequacy	12 CFR 702.
	Adequacy of reserves	12 CFR 741.3(a).
5. Consumer Protection	Nondiscrimination requirements [Fair Housing]	12 CFR 701.31.
	Truth in Savings	12 CFR 707.
	Loans in Areas Having Special Flood Hazards	12 CFR 760.
	Fair Credit Reporting; Duties of Users Consumer Report Regarding Address Discrepancies and Records Disposal.	12 CFR 717, Subpart I.
	Fair Credit Reporting; Identity Theft Red Flags	12 CFR 717, Subpart J.
	Share Insurance	12 CFR 745.
	Accuracy of Advertising and Notice of Insured Status	12 CFR 740.
	Disclosure of share insurance	12 CFR 741.10.
	Notice of termination of excess insurance coverage	12 CFR 741.5.
	Uninsured membership shares	12 CFR 741.9.
	Member inspection of credit union books, records, and minutes	12 CFR 701.3.
B. Categories and Regulations About Which the NCUA Will Seek Comment Later		
6. Corporate Credit Unions	Corporate Credit Unions	12 CFR 704.
7. Directors, Officers, and Employees.	Loans and lines of credit to officials	12 CFR 701.21(d).
	Reimbursement, insurance, and indemnification of officials and employees	12 CFR 701.33.
	Benefits for employees of Federal credit unions	12 CFR 701.19.
	Management Official Interlocks	12 CFR 711.
	Fidelity Bond and Insurance Coverage for Federally Insured Credit Unions	12 CFR 713.
	General authorities and duties of Federal credit union directors	12 CFR 701.4.
	Golden Parachute and Indemnification Payments	12 CFR 750.
8. Anti-Money Laundering and Bank Secrecy Act.	Filing of reports [of known or suspected crimes or suspicious transactions]	12 CFR 748.1.
	Procedures for monitoring Bank Secrecy Act compliance	12 CFR 748.2.
9. Rules of Procedure	Involuntary Liquidation of Federal Credit Unions and Adjudication of Creditor Claims Involving Federally Insured Credit Unions in Liquidation.	12 CFR 709.
	Voluntary Liquidation	12 CFR 710.
	Uniform Rules of Practice and Procedure	12 CFR 747, Subpart A.
	Local Rules of Practice and Procedure	12 CFR 747, Subpart B.
	Procedures for Appealing Material Supervisory Determinations	12 CFR 746, Subpart A.
	Appeals Procedures That Do Not by Law Require a Board Hearing	12 CFR 746, Subpart B.
10. Safety and Soundness	Loans to members and lines of credit to members	12 CFR 701.21.
	Investments	12 CFR 703.
	Supervisory Committee Audits and Verifications	12 CFR 715.
	Security program	12 CFR 748.0.
	Guidelines for Safeguarding Member Information; Responding to Unauthorized Access to Member Information and Member Notice.	12 CFR 748, Appendix A; 12 CFR 748, Appendix B.
	Records Preservation Program and Appendices—Record Retention Guidelines; Catastrophic Act Preparedness Guidelines.	12 CFR 749.

¹⁸ The review will be consistent with the requirements of a Regulatory Flexibility Act, section 610 review. The Board will determine whether particular rules should be continued without change, amended, or rescinded, consistent with the objectives of applicable statutes, to minimize any significant economic impact of the rules on a substantial number of small federally insured credit unions.

¹⁹ Section 610 of the Regulatory Flexibility Act, 5 U.S.C. 610, imposes a continuing obligation on agencies to review regulations that may have a significant economic impact upon a substantial number of small entities, within 10 years after a final rulemaking is published. The factors agencies consider in evaluating a rule under 5 U.S.C. 610 are (1) the continued need for the rule; (2) the nature of complaints or comments received concerning the

rule from the public; (3) the complexity of the rule; (4) the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and (5) the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule.

Category	Subject	Regulation cite
	Appraisals	12 CFR 722.
	Examination	12 CFR 741.1.
	Liquidity and contingency funding plans	12 CFR 741.12.
	Regulations Codified Elsewhere in NCUA's Regulations as Applying to Federal Credit Unions That Also Apply to Federally Insured State-Chartered Credit Unions.	12 CFR 741, Subpart B.
	Guidance for an Interest Rate Risk Policy and an Effective Program	12 CFR 741, Appendix A.
	Loan Workouts, Nonaccrual Policy, and Regulatory Reporting of Troubled Debt Restructured Loans.	12 CFR 741, Appendix B.

VI. Regulatory Procedures

Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) (Act) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002 (44 U.S.C. 3501) (commonly known as *regulations.gov*). The Act, under its terms, applies to notices of proposed rulemaking and does not expressly include other types of documents that the Board publishes voluntarily for public comment, such as documents and interim-final rules that request comment despite invoking “good cause” to forgo such notice and public procedure. The Board, however, has elected to address the Act’s requirement in these types of documents in the interests of administrative consistency and transparency.

In summary, as contemplated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996, the NCUA Board is reviewing its regulations to identify rules that are outdated, unnecessary, or unduly burdensome on federally insured credit unions. The NCUA divided its regulations into 10 categories outlined in the included chart. Over approximately the next 2 years, the NCUA is publishing four **Federal Register** documents requesting comment on multiple categories. This second **Federal Register** document requests comment on regulations concerning these categories: “Agency Programs,” “Capital,” and “Consumer Protection.” The NCUA will address the remaining five categories in the next two documents.

The document and the summary can be found at <https://www.regulations.gov>.

By the National Credit Union Administration Board.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2025–12807 Filed 7–9–25; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2025–0319]

RIN 1625–AA87

Security Zone; Intracoastal Waterway, Palm Beach, FL

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to change the enforcement of an existing security zone that encompasses certain waters of the Atlantic Ocean near the Mar-A-Lago Club and the Southern Boulevard Bridge in Palm Beach, FL. When the “East Zone” is activated all persons and vessels will be prohibited from entering, transiting, anchoring in, or remaining within the security zone unless authorized by the COTP Miami or a designated representative. This action is necessary to protect the official party, public, and surrounding waterways from terrorist acts, sabotage or other subversive acts, accidents, or other events of a similar nature. We invite your comments on this proposed rulemaking.

DATES: Comments and related material must be received by the Coast Guard on or before August 11, 2025.

ADDRESSES: You may submit comments identified by docket number USCG–2025–0319 using the Federal Decision-Making Portal at <https://www.regulations.gov>. See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting

comments. This notice of proposed rulemaking with its plain-language, 100-word-or-less proposed rule summary will be available in this same docket.

FOR FURTHER INFORMATION CONTACT: If you have questions about this proposed rulemaking, call or email Lieutenant Guerschom Etienne, Waterways Management Division, Coast Guard; telephone: 786–295–9051, email: Guerschom.Etienne@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
U.S.C. United States Code

II. Background, Purpose, and Legal Basis

On April 19, 2018, the Coast Guard established a security zone around Mar-a-Lago Club in 33 CFR 165.785 to ensure the safety of the president, official party, and any other persons under the protection of the secret service at his residence. The security zone in § 165.785 consists of 3 zones with varying levels of security within the Intracoastal Waterway and Atlantic Ocean adjacent to this location.

The Coast Guard is proposing to change the enforcement of the existing “East Zone” in Mar-a-Lago due to the high concentration of vessel traffic in the immediate area. Increased security restrictions have been deemed necessary to ensure that no vessel inadvertently enters the “East Zone” without prior authorization from the Captain of the Port (COTP) or designated representative. The restrictions for entering and transiting the waterway already for the “East Zone” would be bolstered and only enforced when the President of the United States, members of the First Family, or other persons under the protection of the Secret Service are present or expected to be present.

Pending going through the normal rulemaking process to amend the enforcement of the “East Zone,” the