

**7535-01-U**

**NATIONAL CREDIT UNION ADMINISTRATION**

**12 CFR Parts 700, 702, 708a, 708b, and 790**

**NCUA-2021-0111**

**RIN: 3133-AF36**

**Asset Thresholds**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** To mitigate transition costs on credit unions related to the coronavirus disease 2019 (COVID-19 Pandemic), the NCUA Board (Board) is issuing this temporary interim final rule to permit federally insured credit unions (FICUs) to use asset data as of March 31, 2020, in order to determine the applicability of certain regulatory asset thresholds during calendar years 2021 and 2022. Specifically, the interim final rule allows a FICU to use March 31, 2020, financial data when determining whether the institution is subject to capital planning and stress testing requirements under the NCUA's regulations and supervision from the Office of National Examinations and Supervision.

**DATES:** This rule is effective on [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** You may submit written comments, identified by RIN 3133-AF36, by any of the following methods (**Please send comments by one method only**):

- Federal eRulemaking Portal: <http://www.regulations.gov>. The docket number for this interim final rule is NCUA-2021-0111. Follow the instructions for submitting comments.
- Fax: (703) 518-6319. Include “[Your Name]—Comments on Interim Final Rule: Asset Thresholds” in the transmittal.
- 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 mail address.

**Public inspection:** You may view all public comments on the Federal eRulemaking Portal at <http://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. Due to social distancing measures in effect, the usual opportunity to inspect paper copies of comments in the NCUA’s law library is not currently available. After

social distancing measures are relaxed, visitors may make an appointment to review paper copies by calling (703) 518–6540 or emailing [OGCMail@ncua.gov](mailto:OGCMail@ncua.gov).

**FOR FURTHER INFORMATION, CONTACT:** Yvonne Applonie, Director of Supervision, Office of National Examinations and Supervision; or Rachel Ackmann, Senior Staff Attorney, Office of General Counsel, 1775 Duke Street, Alexandria, VA 22314-3428. Yvonne Applonie can also be reached at (703) 518-6595, and Rachel Ackmann can be reached at (703) 548-2601.

## **SUPPLEMENTARY INFORMATION**

### **I. Background**

In light of strains in economic conditions related to the COVID-19 Pandemic and stress in U.S. financial markets, the NCUA has taken a number of actions intended to: (i) restore market functioning and support the flow of credit to households, businesses, and communities and (ii) increase flexibility and tailor regulations.

Among those actions, the NCUA has issued a number of rules and supervisory guidance communications designed to mitigate the consequences of the COVID-19 Pandemic, to facilitate the safe and effective operations of FICUs and to protect credit union members.<sup>1</sup> Credit unions have played an instrumental role in the nation’s financial response to the COVID-19 Pandemic,

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<sup>1</sup> See e.g., *Temporary Regulatory Relief in Response to COVID–19–Extension*, 85 FR 83405 (Dec. 22, 2020); *Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans*, 85 FR 23212 (Apr. 27, 2020); and *Real Estate Appraisals*, 85 FR 22014 (Apr. 21, 2020).

and many have experienced significant balance sheet growth as a result of the COVID-19 Pandemic and the policy response to the event.

The unprecedented balance sheet growth is largely a result of individual member response to actions taken by monetary and fiscal authorities. At the start of the COVID-19 Pandemic, consumer spending decreased as individual states or major metropolitan areas ordered millions of Americans to stay home. Additionally, market volatility pushed savers with money in financial markets to safer assets, including insured shares. Fiscal stimulus applied additional upward pressure on FICU balance sheets. For example, as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the U.S. government provided over \$1 trillion in direct support to consumers and businesses through business loans, expanded unemployment insurance, and direct checks to individuals.<sup>2</sup> The direct government assistance and dramatic reduction in discretionary spending lifted the personal savings rate and fueled share growth. For FICUs just below \$10 billion in assets, these factors have resulted in their balance sheets swelling by an average of about 14 percent, and in one case by more than 34 percent. In contrast, in 2019, FICUs with assets just below the \$10 billion threshold had an average asset growth of only 9 percent.

FICUs are subject to regulatory requirements predicated on their risk profile and asset size.<sup>3</sup> Specifically, part 702 of the NCUA's regulations contain asset-based thresholds that determine whether a FICU is required to comply with capital planning and stress testing requirements. In addition, oversight by the Office of National Examinations and Supervision

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<sup>2</sup> Pub. L. 116-136, 134 Stat. 281.

<sup>3</sup> See e.g., 12 CFR 702.103 and 12 CFR 702.502.

(ONES) is dependent on a FICU's asset size. Due to their response to the COVID-19 Pandemic, many FICUs have been, or may soon be, pushed over the asset thresholds that could subject them to additional regulatory requirements or ONES supervision.<sup>4</sup> Complying with these new or more stringent regulatory standards would impose additional transition and compliance costs on such FICUs that otherwise may not have become subject to these requirements at this time. This interim final rule gives affected FICUs more time to either reduce their balance sheets, or to prepare for higher regulatory standards.

Additionally, the Board does not believe that the balance sheet growth related to the COVID-19 Pandemic has significantly increased the general risk profile of the affected FICUs. As discussed previously, FICUs' growth is largely due to the extraordinary growth in insured shares held by FICUs. Therefore, the Board feels it prudent to offer FICUs relief with respect to certain regulatory requirements being triggered by the unprecedented balance sheet growth.

On December 2, 2020, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and Board of Governors of the Federal Reserve System published a related interim final rule to mitigate temporary transition costs on banking organizations with under \$10 billion in total assets as of December 31, 2019, related to the COVID-19 Pandemic.<sup>5</sup>

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<sup>4</sup> Based on data as of December 31, 2020, there are eight FICUs that crossed asset-based threshold in part 702, Subpart E.

<sup>5</sup> 85 FR 77345 (Dec. 2, 2020).

## **II. Legal Authority**

The Board is issuing this interim final rule pursuant to its authority under the Federal Credit Union Act (FCU Act).<sup>6</sup> Under the FCU Act, the NCUA is the chartering and supervisory authority for Federal credit unions (FCUs) and the federal supervisory authority for FICUs. The FCU Act grants the NCUA a broad mandate to issue regulations governing both FCUs and FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe regulations for the administration of the FCU Act.<sup>7</sup> Section 209 of the FCU Act is a plenary grant of regulatory authority to the NCUA to issue regulations necessary or appropriate to carry out its role as share insurer for all FICUs.<sup>8</sup> Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the credit union industry and the National Credit Union Share Insurance Fund remain safe and sound.

## **III. The Interim Final Rule**

### **A. Measurement Date for the Applicability of Capital Planning and Stress Testing Requirements and Office of National Examinations and Supervision Oversight**

Part 702, Subpart E of the NCUA's regulations (Part 702) contains asset-based thresholds that determine whether a FICU is required to comply with capital planning and stress testing requirements.<sup>9</sup> The asset-based thresholds are meant to ensure that the regulatory requirements

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<sup>6</sup> 12 U.S.C. 1751 *et seq.*

<sup>7</sup> 12 U.S.C. 1766(a).

<sup>8</sup> 12 U.S.C. 1789.

<sup>9</sup> 12 CFR pt. 702, Subpart E.

applicable to a FICU are appropriate, given the FICU's asset size and, in some cases, the potential risk that the credit union poses to the National Credit Union Share Insurance Fund.

As discussed previously, many FICUs have experienced an unexpected and sharp increase in their balance sheets since the beginning of the COVID-19 Pandemic. This unexpected and rapid growth has caused the assets of certain FICUs to rise above asset-based thresholds in Part 702 and may cause other FICUs to do so soon. In addition, much of this growth is the result of actions taken by monetary and fiscal authorities, and by individual members in response to the COVID-19 Pandemic and generally does not reflect any immediate change in the organization's longer-term risk profile.

In the absence of regulatory change, FICUs that experience an increase in assets above one or more thresholds in Part 702 would face additional transition costs necessary to comply with the new or more stringent regulatory standards they have not accounted for in 2021 strategic financial plans and budgets. Given the rapid and unexpected nature of FICU asset growth in 2020, many FICUs are unlikely to have planned for these transition costs.

Therefore, the Board believes it is appropriate to provide temporary regulatory relief to FICUs that have risen above, or will rise above, the asset-based thresholds in Part 702. The relief should permit a covered FICU to either delay for one year transition costs that it would otherwise be subject to immediately, to comply with the new standards or an additional year to reduce its total assets to below the applicable asset-based threshold. In order to provide this relief, the Board is issuing this interim final rule to temporarily change the date as of when a FICU measures its assets for the purpose of the capital planning and stress testing requirement.

Part 702 applies capital planning and stress testing requirements to “covered credit unions.” A FICU is defined as a covered credit union, and subject to capital planning and stress testing requirements, if it has \$10 billion or more in total assets.<sup>10</sup> Covered credit unions are then further divided into three tiers and varying levels of regulatory requirements are imposed based on those asset tiers. The tiers ensure capital planning and stress testing requirements are tailored to reflect the size, complexity, and financial condition of the subject credit union. For example, tier I credit unions are not subject to stress testing requirements, however tier II and tier III credit unions are subject to stress testing requirements. Under Part 702:

- A tier I credit union is a covered credit union that has less than \$15 billion in total assets;
- A tier II credit union is a covered credit union that has \$15 billion or more in total assets, but less than \$20 billion in total assets, or is otherwise designated as a tier II credit union by the NCUA; and
- A tier III credit union is a covered credit union that has \$20 billion or more in total assets, or is otherwise designated as a tier III credit union by the NCUA.

Part 702 applies the asset thresholds for each tier based on a FICU’s asset size on March 31 each year (measurement date). Under the current rule, if a FICU crosses any of the tier I, II, or III asset thresholds on March 31, then the FICU’s new classification is effective on January 1 of the next year. Accordingly, a FICU’s calendar year 2021 capital planning and stress testing

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<sup>10</sup> See, 12 CFR 702.502. Covered credit unions are defined as a FICU whose assets are \$10 billion or more.



requirements were determined by its total assets as of March 31, 2020 and were effective January 1, 2021. If a FICU had \$10 billion or more in total assets as of March 31, 2020, it must complete a capital plan in calendar year 2021. And, if a covered credit union had \$15 billion in assets on March 31, 2020, it must conduct a stress test in calendar year 2021.

As discussed previously, the interim final rule temporarily amends the measurement date used to determine whether a FICU crosses any of the tier I, II, or III asset thresholds for capital planning and stress testing requirements in calendar year 2022. Under the interim final rule, a FICU will use its assets reported as of March 31, 2020, instead of March 31, 2021, to determine its applicable asset thresholds for calendar year 2022. This means that asset growth in 2020 will not trigger new regulatory requirements under Part 702 until January 1, 2023, at the earliest.

Therefore, if a FICU had substantial asset growth during the latter half of 2020 and has \$10 billion or more in assets on March 31, 2021, but had less than \$10 billion in assets on March 31, 2020, the FICU does not meet the definition of a covered credit union and will not be designated as a tier I credit union subject to capital planning requirements on January 1, 2022. If a FICU had \$10 billion or more in total assets on March 31, 2020, however, it must complete a capital plan this year (for calendar year 2021). And, if a covered credit union has \$15 billion in assets on March 31, 2021, but had less than \$15 billion on March 31, 2020, it is not required to conduct a stress test in calendar year 2022. Similarly, a covered credit union is not designated as a tier III covered credit union based on its total assets as of March 31, 2021.

Accordingly, a FICU would not be newly designated as a tier I, II, or III covered credit union until March 31, 2022, and such designation will not be effective until January 1, 2023.

This temporary regulatory relief reflects that much of the balance sheet growth since the start of the COVID-19 Pandemic, especially growth related to member deposits, does not generally reflect changes in FICUs' risk profiles and was unexpected by the FICU. Based on this analysis, the Board finds that this temporary change will not undermine the purpose behind the capital planning and stress testing requirements and will permit FICUs an additional year to either reduce their total assets to under the applicable asset-size threshold or prepare for compliance with capital planning and stress testing requirements.

As discussed, the interim final rule also makes a conforming change to the measurement date for determining oversight by ONES. Currently, ONES oversees FICUs with \$10 billion or more in assets. Similar to the measurement date for capital planning and stress testing requirements, FICUs reporting assets of \$10 billion or more on March 31 each year will be reassigned to ONES on January 1 of the following year. Under the interim final rule, the NCUA will use financial data as of March 31, 2020, instead of March 31, 2021, to determine the supervision of natural person credit unions for calendar year 2022.

The interim final rule also makes conforming amendments to other NCUA regulations that refer to supervision by ONES. These changes replace specific references to the \$10 billion asset threshold with cross-references to the threshold, as temporarily modified, in part 702.

#### B. Reservation of Authority

The temporary regulatory relief described previously is generally available to FICUs that otherwise would have crossed the tier I, II, or III thresholds in Part 702 or become subject to

ONES supervision. However, there may be limited instances in which such regulatory relief would be inappropriate. To address such situations, the Board may use existing reservations of authority in Part 702 to designate a FICU as subject to ONES supervision or a tier I, II, or III credit union. When making any such determination, the Board would consider all relevant factors affecting the FICU's safety and soundness, including, but not limited to, the extent of asset growth of the FICU since March 31, 2020; the causes of such growth, including whether growth occurred as a result of mergers or purchase and assumption transactions; whether such growth is likely to be temporary or permanent; whether the FICU has become involved in any additional activities since March 31, 2020, and, if so, the risk of such activities; and the type of assets held by the FICU. In particular, as noted in the preceding sentence, the NCUA will consider whether the FICU crossed the threshold due to a merger or purchase and assumption transaction that significantly increases the FICU's asset size. Asset growth that occurs as a result of a merger or purchase and assumption transaction is planned, unlike the growth that many FICUs have experienced since the beginning of the COVID-19 Pandemic. FICUs crossing a regulatory threshold as a result of a merger or purchase and assumption transaction therefore have had the opportunity to plan and prepare for the change in regulatory requirements. The Board notes that it may designate a FICU as a tier I, II, or III credit union even in the absence of a merger or purchase and assumption transaction, as significant asset growth at a FICU may reflect a material change in the business model, risk profile, or complexity of the FICU. Nonetheless, the NCUA expects to apply the reservation of authority only in limited circumstances.

### C. Request for Comments

The Board seeks comment on all aspects of this interim final rule. In particular, the Board seeks comment on the duration of the temporary regulatory relief and on the advantages and disadvantages of using an alternative measurement date. Commenters are invited to describe other dates and the advantages and disadvantages of any such dates.

### **III. Regulatory Procedures**

#### **A. Administrative Procedure Act**

The Board is issuing this interim final rule without prior notice and the opportunity for public comment and the delayed effective date ordinarily prescribed by the Administrative Procedure Act (APA). Pursuant to section 553(b)(B) of the APA, general notice and the opportunity for public comment are not required with respect to a rulemaking when an “agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”

The Board believes that the public interest is best served by implementing the interim final rule immediately upon publication in the *Federal Register*. As discussed previously, the interim final rule provides temporary regulatory relief to FICUs crossing certain regulatory asset thresholds in 2020 and 2021. Many FICUs have experienced dramatic and unexpected increases in their balance sheets as a result of their efforts to support the economy during the ongoing COVID-19 Pandemic. The interim final rule facilitates the ability of FICUs to temporarily defer the implementation of certain regulatory thresholds that would not have been applicable had the

FICUs not experienced this balance sheet growth. Therefore, the interim final rule temporarily exempts FICUs from new requirements that may have otherwise been applicable due to growth. The interim final rule does not impose any requirements on any FICUs.

The Board believes that the public interest is best served by making the interim final rule effective immediately upon publication in the *Federal Register*. The Board believes that issuing the interim final rule will ensure that FICUs will not be unnecessarily required to immediately comply with certain threshold-based regulatory standards given the FICU's unexpected growth and likely long-term risk profile and activities. The interim final rule also will provide FICUs time to comply with new threshold-based regulatory standards and avoid unexpected and unplanned costs, allowing the FICU to continue to focus on the provision of affordable credit to members during this time of economic stress. In addition, the Board believes that providing a notice and comment period prior to issuance of the interim final rule is impracticable, as FICUs may start incurring transition costs now in anticipation of needing to comply with additional requirements if its asset classification would otherwise change on March 31, 2021. For these reasons, the Board finds there is good cause consistent with the public interest to issue the interim final rule without advance notice and comment.

The APA also requires a 30-day delayed effective date, except for: (1) substantive rules which grant or recognize an exemption or relieve a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause. Because the rules relieve a restriction, the interim final rule is exempt from the APA's delayed effective date

requirement. The reasons previously discussed for forgoing prior notice and comment would also separately justify this determination.

While the Board believes that there is good cause to issue the rule without advance notice and comment and with an immediate effective date, the Board is interested in the views of the public and requests comment on all aspects of the interim final rule.

## **B. Congressional Review Act**

For purposes of the Congressional Review Act, the OMB makes a determination as to whether a final rule constitutes a “major” rule. If a rule is deemed a “major rule” by the Office of Management and Budget (OMB), the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication.

The Congressional Review Act defines a “major rule” as any rule that the Administrator of the Office of Information and Regulatory Affairs of the OMB finds has resulted in or is likely to result in (A) an annual effect on the economy of \$100,000,000 or more; (B) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions, or (C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

For the same reasons set forth above, the Board is adopting this interim final rule without the delayed effective date generally prescribed under the Congressional Review Act. The

delayed effective date required by the Congressional Review Act does not apply to any rule for which an agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rule issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

As required by the Congressional Review Act, the Board will submit the final rule and other appropriate reports to Congress and the Government Accountability Office for review.

### **C. Paperwork Reduction Act**

The Paperwork Reduction Act of 1995 (PRA) applies to rulemakings in which an agency by rule creates a new paperwork burden on regulated entities or modifies an existing burden (44 U.S.C. 3507(d)). For purposes of the PRA, a paperwork burden may take the form of a reporting, recordkeeping, or a third-party disclosure requirement, referred to as an information collection. The interim final rule will not affect any existing or impose any new information collection requirements.

### **D. Executive Order 13132**

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests. The NCUA, an independent regulatory agency as defined in 44 U.S.C. § 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles.

This interim final rule does not have substantial interim effects on the states, on the relationship between the National Government and the states, or on the distribution of power and responsibilities among the various levels of government. The NCUA has therefore determined that this rule does not constitute a policy that has federalism implications for purposes of the executive order.

#### **E. Assessment of Federal Regulations and Policies on Families**

The NCUA has determined that this rule will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999.<sup>11</sup>

#### **F. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule or a final rule pursuant to the APA or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the *Federal Register*. Specifically, the RFA normally requires agencies to describe the impact of a rulemaking on small entities by providing a regulatory impact analysis. For purposes of the RFA, the Board considers credit unions with assets less than \$100 million to be small entities.

Rules that are exempt from notice and comment are also exempt from the RFA requirements, including conducting a regulatory flexibility analysis, when among other things

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<sup>11</sup> Pub. L. 105–277, 112 Stat. 2681 (1998).



the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest.<sup>12</sup> Accordingly, the NCUA is not required to conduct a regulatory flexibility analysis for the reasons stated above relating to the good cause exemption. In addition, this interim final rule applies only to FICUs that have or will have \$10 billion or more in assets as of March 31, 2021. Nevertheless, the Board welcomes comments on the effect this interim final rule may have on small entities.

**List of Subjects in 12 CFR Part 700, 702, 708a, 708b, and 790**

**12 CFR Part 700**

*Credit unions.*

**12 CFR Part 702**

*Credit unions, Reporting and recordkeeping requirements.*

**12 CFR Part 708a**

*Credit unions, Reporting and recordkeeping requirements.*

**12 CFR Part 708b**

*Bank deposit insurance, Credit unions, Reporting and recordkeeping requirements.*

**12 CFR Part 790**

*Organization and functions (Government agencies).*

By the NCUA Board on March 18, 2021.

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Melane Conyers-Ausbrooks  
Secretary of the Board

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<sup>12</sup> 5 U.S.C. 553(a).

For the reasons discussed in the preamble, the Board is amending 12 CFR Part 700, 702, 708a, 708b, and 790 as follows:

## **PART 700—DEFINITIONS**

1. The authority citation for part 700 continues to read as follows:

**Authority:** 12 U.S.C. 1752, 1757(6), 1766.

2. Revise the definitions of Regional Director and Regional Office in § 700.2 to read as follows:

### **§ 700.2 Definitions.**

\* \* \* \* \*

Regional Director means the representative of NCUA in the designated geographical area in which the office of the federally insured credit union is located or, for covered credit unions under part 702 of this chapter, the Director of the Office of National Examinations and Supervision.

Regional Office means the office of NCUA located in the designated geographical areas in which the office of the federally insured credit union is located or, for covered credit unions under part 702 of this chapter, the Office of National Examinations and Supervision.

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## **PART 702—CAPITAL ADEQUACY**

3. The authority citation for part 702 continues to read as follows:

**Authority:** 12 U.S.C. 1766(a), 1790d.

4. Revise the third sentence in § 702.1(c), effective January 1, 2022, to read as follows:

### **§ 702.1 Authority, purpose, scope, and other supervisory authority.**

(c) \* \* \* Subpart C applies capital planning and stress testing to credit unions defined as covered credit unions under § 702.302. \* \* \*

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5. Revise § 702.2(a) to read as follows:

### **§ 702.2 Definitions.**

\* \* \* \* \*

(a) Appropriate Regional Director means the director of the NCUA Regional Office having jurisdiction over federally insured credit unions in the state where the affected credit

union is principally located or, for covered credit unions under part 702 of this chapter, the Director of the Office of National Examinations and Supervision.

\* \* \* \* \*

6. Revise the definition of covered credit union in § 702.302, effective January 1, 2022, to read as follows:

**§ 702.302 Definitions.**

\* \* \* \* \*

Covered credit union means a federally insured credit union whose assets are \$10 billion or more.

- (a) *Timing.* A credit union that crosses the asset threshold as of March 31 of a given calendar year is subject to the applicable requirements of this subpart in the following calendar year.
- (b) *Regulatory relief for 2021 and 2022.* If a federally insured credit union reaches or crosses an asset size threshold under this subpart E on March 31, 2021, the NCUA will use the assets the federally insured credit union reported on March 31, 2020 for the purpose of determining the applicability of those thresholds.

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7. Revise the definition of covered credit union in § 702.502 to read as follows:

**§ 702.502 Definitions.**

\* \* \* \* \*

Covered credit union means a federally insured credit union whose assets are \$10 billion or more.

- (a) *Timing.* A credit union that crosses the asset threshold as of March 31 of a given calendar year is subject to the applicable requirements of this subpart in the following calendar year.
  
- (b) *Regulatory relief for 2021 and 2022.* If a federally insured credit union reaches or crosses an asset size threshold under this subpart E on March 31, 2021, the NCUA will use the assets the federally insured credit union reported on March 31, 2020 for the purpose of determining the applicability of those thresholds.

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**PART 708a—BANK CONVERSIONS AND MERGERS**

8. The authority citation for part 708a continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1785(b), and 1785(c).

9. Revise the second sentence of the definition of Regional Director in § 708a.101 to read as follows:

**§ 708a.101 Definitions.**

\* \* \* \* \*

For corporate credit unions and natural person credit unions defined as covered credit unions under part 702 of this chapter, Regional Director means the director of NCUA’s Office of National Examinations and Supervision.

\* \* \* \* \*

10. Revise the second sentence of the definition of Regional Director in § 708a.301 to read as follows:

**§ 708a.301 Definitions.**

\* \* \* \* \*

For corporate credit unions and natural person credit unions defined as covered credit unions under part 702 of this chapter, Regional Director means the director of NCUA’s Office of National Examinations and Supervision.

\* \* \* \* \*

**PART 708b— MERGERS OF INSURED CREDIT UNIONS INTO OTHER CREDIT UNIONS; VOLUNTARY TERMINATION OR CONVERSION OF INSURED STATUS**

11. The authority citation for part 708b continues to read as follows:

**Authority:** 2 U.S.C. 1752(7), 1766, 1785, 1786, 1789.

12. Revise the second sentence of the definition of Regional Director in § 708b.2 to read as follows:

**§ 708b.2 Definitions.**

\* \* \* \* \*

For corporate credit unions and natural person credit unions defined as covered credit unions under part 702 of this chapter, Regional Director means the director of NCUA’s Office of National Examinations and Supervision.

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**PART 790— DESCRIPTION OF NCUA; REQUESTS FOR AGENCY ACTION**

13. The authority citation for part 790 continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1789, 1795f.

14. Revise the first sentence in § 790.2(c)(2) to read as follows:

**§ 790.2 Central and field office organization.**

\* \* \* \* \*

(c)

(2) \* \* \* Similar to a Regional Director, the Director of the Office of National Examinations and Supervision manages NCUA’s supervisory program over credit unions; however, it oversees the activities for corporate credit unions and of natural person credit unions defined as covered credit unions under part 702 of this chapter, in accordance with established policies. \* \* \*

\* \* \* \* \*