NCUA
National Credit Union Administration

2024 Annual Performance Plan

January 2024

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About this 2024 Annual Performance Plan

The National Credit Union Administration's (NCUA) *Annual Performance Plan* (plan), in concert with the agency's budget, outlines the resources and strategies the NCUA will use to set priorities and manage performance. This plan is guided by the NCUA's *2022–2026 Strategic Plan*, which includes the following strategic goals:

1. Ensure a safe, sound, and viable system of cooperative credit that protects consumers.
2. Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services.
3. Maximize organizational performance to enable mission success.

This plan outlines how the agency will continue to effectively supervise and insure a growing and evolving credit union system, particularly during periods of economic uncertainty. As financial services and the credit union sector continue to change, the NCUA must adapt to meet the evolving challenges and developments.

This plan sets out performance measures and targets for 2024 in support of the goals in the strategic plan. Performance indicators use available data to evaluate whether the NCUA is making progress toward achieving its goals and objectives during the plan period. Targets establish a level of performance the NCUA strives to achieve. The NCUA reviews performance indicators and targets to assess the effectiveness of programs and takes into account how risks and opportunities affect our ability to achieve strategic goals and objectives. This assessment allows the agency to make adjustments to improve performance throughout each year and during the five-year strategic plan period. Data presented in this report is as of September 30, 2023, unless otherwise noted.

This plan also describes the means, strategies, and specific actions the agency has resourced and intends to undertake in 2024 to achieve each strategic objective. The priorities and performance indicators in this plan comply with the Government Performance and Results Modernization Act of 2010.

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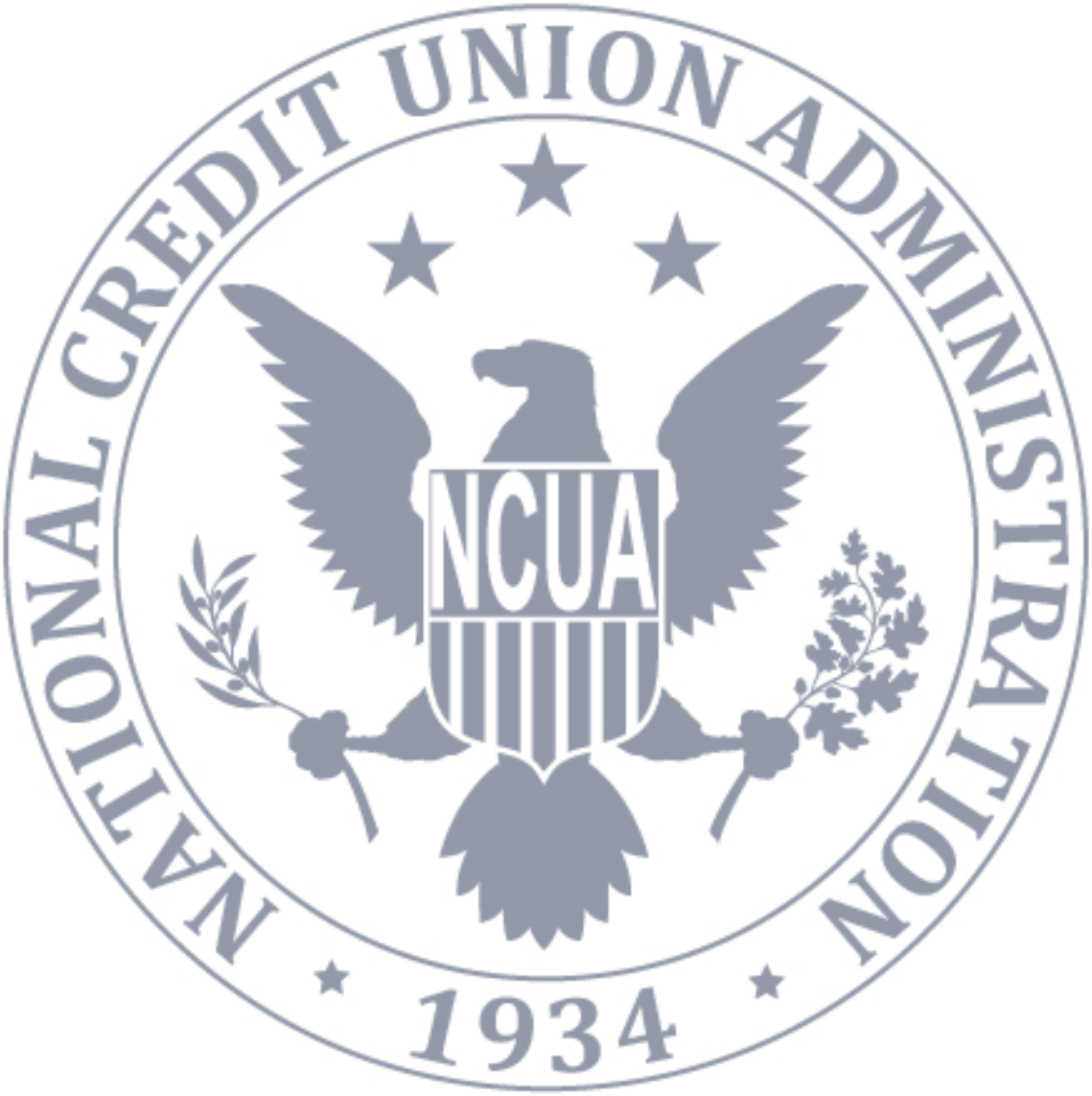

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Mission

Throughout 2024, the NCUA will implement initiatives to continue meeting its mission of:

> *"Protecting the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance."*

The NCUA Board previously approved this mission statement as part of the *2022–2026 Strategic Plan*.

Vision and Values

The NCUA's vision is to:

> *"Strengthen communities and protect consumers by ensuring equitable financial inclusion through a robust, safe, sound, and evolving credit union system."*

The agency is guided by the following values:

Integrity – Adhere to the highest ethical and professional standards.

Accountability – Accept responsibilities and meet commitments.

Transparency – Be open, direct, and frequent in communications.

Inclusion – Foster a workplace culture that values diverse backgrounds, experience, and perspectives.

Proficiency – Deploy a workforce with a high degree of skill, competence, and expertise to maximize performance.

Agency Overview

Created by the U.S. Congress in 1970, the NCUA is an independent federal agency that insures deposits at federally insured credit unions, protects the members who own credit unions, charters and regulates federal credit unions, and promotes widespread financial education and consumer financial protection. The NCUA protects the safety and soundness of the credit union system by identifying, monitoring, and managing risks to the National Credit Union Share Insurance Fund (Share Insurance Fund). Backed by the full faith and credit of the United States, the Share Insurance Fund provides up to at least $250,000 of federal share insurance to nearly 139 million members in all federal

credit unions and most state-chartered credit unions. No credit union member has ever lost a penny of shares insured by the Share Insurance Fund.

The NCUA is responsible for the regulation and supervision of 4,645 federally insured credit unions with $2.2 trillion in assets across all states and U.S. territories.

Pursuant to the Federal Credit Union Act, the agency is "under the management of a National Credit Union Administration Board."[1] The Board is made up of three-members who are presidentially appointed and Senate-confirmed. The Board oversees the NCUA's operations by setting policies, approving budgets, and adopting rules.

In addition to the Share Insurance Fund, the NCUA operates the following three other funds:

- The NCUA Operating Fund.
- The Central Liquidity Facility.
- The Community Development Revolving Loan Fund (CDRLF).

The NCUA Operating Fund, in conjunction with the Share Insurance Fund, finances the agency's operations. The NCUA Central Liquidity Facility is a contingent liquidity source, administered by the NCUA Board in its capacity as the Central Liquidity Facility Board, which serves as a liquidity lender to credit unions experiencing unusual or unexpected liquidity shortfalls. The NCUA CDRLF provides loans and grants to low-income designated and minority deposit institution credit unions.

Throughout the plan's period, the NCUA will rely upon its employees to perform activities in the NCUA's major program areas and support functions. The NCUA employs staff in an Asset Management and Assistance Center (AMAC) to manage the assets of failed credit unions, three regional offices, and a central office. Reporting to each of its regional offices and the Office of National Examinations and Supervision, the NCUA has supervisory groups with examiners responsible for a portfolio of credit unions covering all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

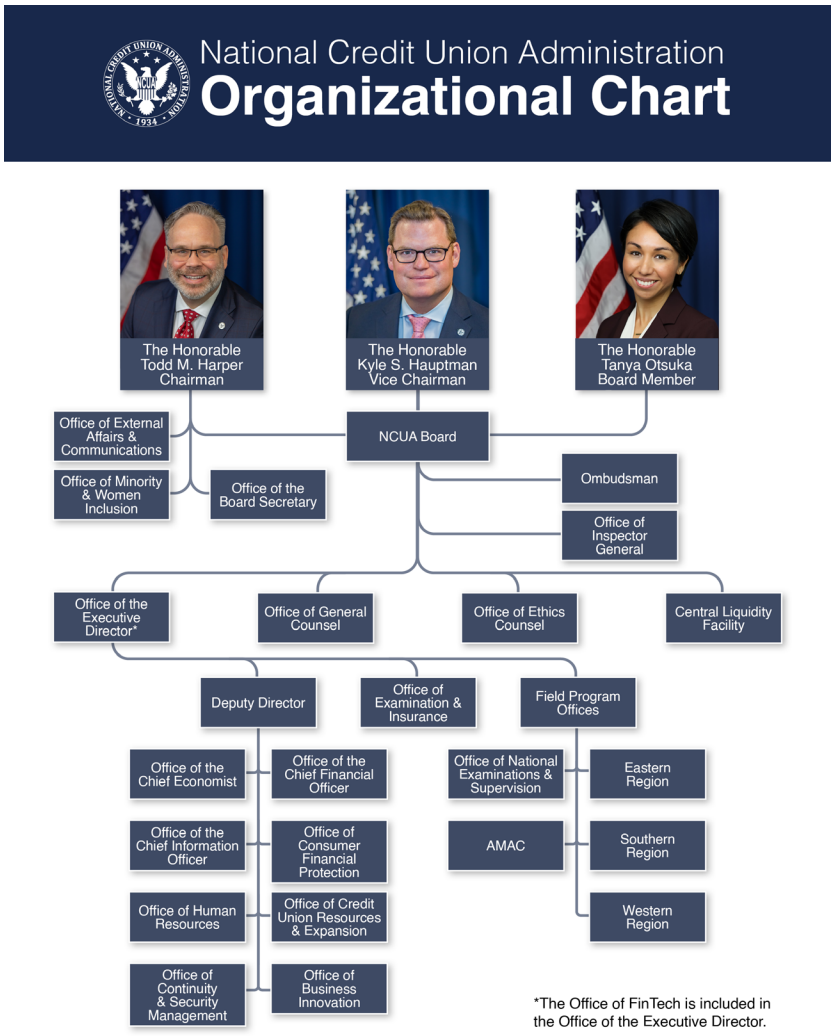
The examination, supervision, and insurance programs are the central mission for the NCUA. These functions are the primary responsibility of the field program offices and the offices of Examination and Insurance and Consumer Financial Protection. Nearly two-thirds of the NCUA's workforce is comprised of field staff who spend a significant part of their year carrying out the agency's examination and supervision program.

[1] 12 U.S.C. 1752a(a).

The agency learned several lessons from offsite examinations conducted during the pandemic. Going forward, examiners will seek to strike the right balance between onsite and offsite examination and supervision work. Examiners will continue to conduct some examination steps offsite when they can be completed efficiently and effectively in credit unions that can accommodate the offsite work.[2]

Organizational Structure

The NCUA organizational chart follows. Additional information about the NCUA's executive leadership is also available on the NCUA's website.



[2] Letter to Credit Unions 22-CU-11, *NCUA to Begin Phase 3 of Resuming Onsite Operations*.

Major Agency Programs

Supervision

The supervision program contributes to the safety and soundness of the credit union system, thereby protecting the interests of all credit union stakeholders. The NCUA's supervision is driven by identifying and resolving risk in the following seven primary areas:

- interest rate risk;
- liquidity risk;
- credit risk, including asset concentration risk;
- reputation risk;
- transaction risk;
- compliance risk, including compliance with consumer protection and anti-money laundering laws and regulations; and
- strategic risk, including operational risks such as cybersecurity and fraud.

The NCUA supervises federally insured credit unions primarily through examinations and supervision.

Consumer Financial Protection

The NCUA protects consumers through effective supervision and enforcement of federal consumer financial protection laws, regulations, and requirements. The NCUA also develops financial literacy tools and information for consumers and promotes financial education programs for credit unions to assist members in making more informed financial decisions.

The NCUA's consumer financial protection mission goes hand-in-hand with the agency's safety and soundness mission. The agency strives to balance ensuring consumers are protected and the ability of credit unions to provide affordable and equitable service to their member-owners. In addition, the NCUA's Consumer Assistance Center provides an avenue through which credit union members can report and resolve concerns they may have about the products and services they have received from their credit unions.

When it comes to overseeing credit unions, the NCUA's goal is to facilitate their safe and sound operation while ensuring member-owners' assets are protected through full compliance with applicable laws, including consumer financial protection and fair

lending laws. The agency emphasizes a compliance approach, providing credit unions with clear guidelines to ensure they comply with applicable laws and regulations and operate safely and soundly.

Insurance

The NCUA manages the $21.0 billion Share Insurance Fund, which provides insurance up to at least $250,000 per individual depositor for funds held at federally insured credit unions. The Share Insurance Fund is capitalized by credit unions and through retained earnings. The equity ratio is the overall capitalization of the Share Insurance Fund to protect against unexpected losses from the failure of credit unions. The normal operating level is the desired equity level for the Share Insurance Fund. In accordance with the Federal Credit Union Act, the NCUA Board sets the normal operating level between 1.20 percent and 1.50 percent.

Asset Management

The NCUA conducts liquidations of failed credit unions and performs management and recovery of assets through the AMAC. The AMAC effectively manages and resolves assets acquired from liquidated credit unions. The AMAC also provides specialized resources to the NCUA regional offices with reviews of large, complex loan portfolios and actual or potential bond claims. It also participates in the operational phases of conservatorships and records reconstruction. The purpose of the AMAC is to minimize credit union failure costs to the Share Insurance Fund, credit union member-owners, and other stakeholders, including the U.S. taxpayers.

Credit Union Development

Through chartering and field of membership services, training, and resource assistance, the NCUA fosters credit union development for small, minority, newly chartered, and low-income designated credit unions. One source of assistance is the CDRLF, which provides loans and technical assistance grants to credit unions serving low-income members as well as minority depository institutions, regardless of low-income status. This support results in improved access to financial services, strengthened credit union operations, an opportunity for increased member savings, and improved employment opportunities in underserved communities.

The NCUA charters new federal credit unions, as well as approves modifications to existing charters and fields of membership.

Advancing Access to Safe, Fair, and Affordable Financial Services

The NCUA identified a need to foster financial inclusion because of the financial disparities experienced by minority, underserved, and unbanked populations. The NCUA considers trends in industry data, economic and socioeconomic challenges experienced by consumers, and how the NCUA may assist credit unions in addressing them. The NCUA helps credit unions with their outreach strategies through educational webinars and the identification of grants and other financial sources to support the development and implementation of safe, fair, and affordable financial products and services that assist members experiencing financial hardship. The NCUA will also evaluate ways to refresh and modernize regulations, policies, and programs in support of greater financial inclusion within the credit union system.

Stakeholder Engagement

To help understand the needs of the credit union system, the NCUA seeks input from its stakeholders including Congress, state supervisory authorities, credit union members, credit unions and their associations, and consumer advocates, among others. Input is sought through the examination and supervision process, surveys, public webinars, working groups, rulemakings, requests for information, the budget process, and public and congressional dialogue. The views and input are assessed and properly considered during the developmental process.

Cross-Agency Collaboration

The NCUA is involved in numerous cross-agency initiatives by collaborating with other financial regulatory agencies and through several interagency councils, such as the Financial Stability Oversight Council (FSOC), the Federal Financial Institutions Examination Council (FFIEC), and the Financial and Banking Information Infrastructure Committee (FBIIC). These councils and their associated taskforces and working groups contribute to the success of the NCUA's mission by providing the agency with access to critical financial and market information and opportunities to share information on critical issues and threats to the nation's financial infrastructure, among other benefits.

Performance by Strategic Goal

Strategic Goal 1: Ensure a safe, sound, and viable system of cooperative credit that protects consumers.

Strategic Objectives	Performance Goals
1.1 Maintain a financially sound Share Insurance Fund.	1.1.1 Prudently manage the Share Insurance Fund.
1.2 Provide effective and efficient supervision.	1.2.1 Identify and address undue risk and violations in NCUA-insured credit unions.
	1.2.2 Provide fair and consistent supervision of NCUA-insured credit unions.
1.3 Ensure compliance with, and enforcement of, federal consumer financial protection laws and regulations at credit unions.	1.3.1 Identify and address violations of consumer protection laws and regulations.
1.4 Ensure NCUA-insured credit unions can appropriately manage emerging opportunities and risks, including cybersecurity and climate-related financial risk.	1.4.1 Evaluate cybersecurity practices in credit unions.
	1.4.2 Identify and address undue risk associated with asset concentration and other risks.
1.5 Ensure NCUA policies and regulations appropriately address emerging and innovative financial technologies, including digital assets.	1.5.1 Identify and evaluate opportunities and challenges for federally insured credit unions to adopt emerging financial technology, including artificial intelligence.

Strategic Objective 1.1

Maintain a Financially Sound Share Insurance Fund.

The Share Insurance Fund is a cooperative insurance fund comprised of a 1 percent capitalization deposit from insured credit unions, income and retained earnings from prudent investment strategies, and premium assessments when needed. The NCUA must maintain a financially sound Share Insurance Fund to protect credit union member-owners against unexpected losses from failed credit unions and to maintain public confidence in federal share insurance and the financial services system. Sound management of the Share Insurance Fund also requires the agency to timely identify, assess, and respond to current and emerging risks, including through robust modeling of

future Share Insurance Fund performance and effective execution of the examination program.

The NCUA will maintain a financially sound Share Insurance Fund through the following strategies and initiatives:

- Continue to make prudent investment decisions for the Share Insurance Fund to ensure the NCUA investment objectives are met and comply with the Board-approved investment policy.
- Monitor emerging challenges and risks potentially impacting the credit union system and the Share Insurance Fund and take action as appropriate.
- Resolve safety and soundness concerns through prompt and effective supervisory and resolution actions, as warranted.
- Identify merger or purchase and assumption partners for credit union failures, to provide continued service to credit union members, increase efficiency, and reduce costs.
- Ascertain ways to strengthen the management and operations of the Share Insurance Fund, including establishing a regular Board review of the investment policy.
- Manage and recover assets in credit union liquidations to minimize failure costs and expenses to the Share Insurance Fund, credit union member-owners, and other creditors.

Performance Indicators	2021	2022	Q3 2023	2024 Target
1.1.1 Prudently manage the Share Insurance Fund.				
Maintain Share Insurance Fund losses at or below 2024 established reserve for losses.	—	—	—	Achieve
Maintain the Share Insurance Fund equity ratio at or above the minimum statutory level and at or below the Normal Operating Level.[3]	1.26 percent	1.30 percent	1.27 percent[4]	At or between the statutory minimum and the Normal Operating Level

[3] The equity ratio is the ratio of Share Insurance Fund equity to the amount of insured shares.
[4] Estimate as of June 30, 2023.

Strategic Objective 1.2

Provide Effective and Efficient Supervision.

To remain effective, the NCUA's examination and supervision program must continue to evolve with a growing and changing credit union system while recognizing the fundamental differences that define financial cooperatives. The NCUA must act efficiently, properly allocating examination resources to credit unions of highest risk and conducting effective offsite monitoring. Important components of an effective and efficient examination and supervision program include highly skilled examiners, risk- and compliance-based examination policies, robust data collection and analyses, reliable technological tools, and a strong quality assurance program.

The NCUA will provide effective and efficient supervision through the following strategies and initiatives:

- Manage the examination program effectively and efficiently by:
  - Allocating NCUA resources to credit unions and credit union activities posing the greatest risk.
  - Conducting timely supervision of CAMELS composite 3, 4, and 5 rated credit unions.
  - Taking prompt and effective supervisory and resolution actions, when warranted.
  - Ensuring examinations and supervision contacts are scheduled and completed in accordance with agency policy.
- Ensure the quality and consistency of examinations and examination reports through quality assurance processes.
- Produce modeling and risk-identification tools that provide economic information on emerging microeconomic and macroeconomic risks and extrapolate to identify the potential risks in credit unions.
- Identify changing risks in large credit unions through a data-driven supervision approach.
- Work closely with state regulators to ensure necessary action to provide effective supervision of federally insured, state-chartered credit unions, while also minimizing the burden on state-chartered credit unions that results from having a separate regulator and insurer.

Performance Indicators	2021	2022	Q3 2023	2024 Target
1.2.1 Identify and address undue risk and violations in NCUA-insured credit unions.				
Start examinations within timelines permitted by agency policy for federally insured credit unions on an annual examination schedule and federal credit unions on an extended examination cycle.	—	96 percent	97 percent	Greater than or Equal to 97 percent
Start follow-up examinations for federal credit unions with assets greater than $500 million and a CAMELS composite 3 rating within timelines permitted by agency policy to ensure all material safety and soundness concerns are being addressed.	100 percent	100 percent	100 percent	Greater than or Equal to 97 percent
1.2.2 Provide fair and consistent supervision of NCUA-insured credit unions.				
Obtain positive responses on the post examination survey credit union responses related to the collaboration, narrative, and delivery of the examination report.	—	—	—	Greater than or Equal to 90 percent

Strategic Objective 1.3

Ensure Compliance with, and Enforcement of, Federal Consumer Financial Protection Laws and Regulations at Credit Unions.

The NCUA's assessment of compliance risk considers the federal consumer financial protection laws and regulations the agency enforces, as well as other relevant laws and regulations that govern the operation of credit unions, such as the Bank Secrecy Act, the Flood Disaster Protection Act, the Secure and Fair Enforcement for Mortgage Licensing Act, and the NCUA's established regulations. The NCUA's fair lending examination program is designed to ensure that credit unions comply with the regulations established to protect consumers against discrimination. The NCUA also performs targeted consumer compliance reviews during risk-focused examinations.

As part of the FFIEC Taskforce on Consumer Compliance, the NCUA contributes to developing well-balanced regulations and policy statements related to consumer financial protection.

The NCUA will ensure compliance with and enforcement of federal consumer financial protection laws and regulations at credit unions through the following strategies and initiatives:

- Perform fair lending examinations and supervision contacts for all types of lending products and refer fair lending violations to the Department of Justice, as required by law.
- Provide timely guidance to the credit union system and examiners related to changes in regulations established to protect consumers.
- Monitor consumer complaints and fair lending examination and offsite supervision contact results to guide consumer compliance program development.
- Collaborate with other federal regulatory agencies, as appropriate, to protect consumers using credit union products and services.
- Continue to provide a responsive and efficient consumer complaint handling process in the Consumer Assistance Center.

Performance Indicators	2021	2022	Q3 2023	2024 Target
1.3.1 Identify and address violations of consumer protection laws and regulations.				
Complete at least 60 fair lending examinations.	29	35	25	Greater than or Equal to 60
Achieve a Consumer Assistance Center Phase I resolution rate of at least 90 percent.	—	97 percent	98 percent[5]	Greater than or Equal to 90 percent

[5] Results are preliminary. Resolved cases may be reopened at the request of the consumer under certain circumstances and within certain timeframes.

Strategic Objective 1.4

Ensure NCUA-Insured Credit Unions Can Appropriately Manage Emerging Opportunities and Risks, Including Cybersecurity and Climate-Related Financial Risk.

The NCUA will ensure NCUA-insured credit unions can appropriately manage emerging opportunities and risks through the following strategies and initiatives:

- Provide training on a timely basis to help staff understand emerging opportunities and risks in the credit union system and related risk management strategies.
- Provide examiners with timely reports to identify trends in key risk areas.
- Provide guidance and other information to the credit union system on regulatory and supervisory matters, trends affecting federally insured credit unions, and potential risks and threats.

Performance Indicators	2021	2022	Q3 2023	2024 Target
1.4.1 Evaluate cybersecurity practices in credit unions.				
Complete information security reviews during examinations of federally insured credit unions.	—	—	—	Greater than or Equal to 95 percent
1.4.2 Identify and address undue risk associated with asset concentration and other risks.				
Conduct 95 percent of exams or supervision contacts for credit unions with high concentrations in specific loan types according to established timelines.	Commenced Reviews	99 percent	99 percent	Greater than or Equal to 95 percent

Strategic Objective 1.5

Ensure NCUA Policies and Regulations Appropriately Address Emerging and Innovative Financial Technologies, Including Digital Assets.

Emerging and innovative financial technologies (Fintech), including artificial intelligence and digital assets, present opportunities and risks to the credit union system. The NCUA is committed to supporting the credit union system as it navigates the changes Fintech and other innovations are bringing to the financial services industry. The agency must identify financial services industry risks and opportunities as well as marketplace developments that may prompt regulatory or policy changes.

The agency will ensure NCUA policies, regulations, and guidance appropriately address emerging and innovative Fintech through the following strategies and initiatives:

- Continue studying emerging financial technology and the adoption of financial technology by credit unions, including artificial intelligence, digital ledger technology and digital assets, to determine regulatory and policy needs and risks for the credit union system.
- Facilitate discussions between credit unions and Fintech providers.
- Engage with the credit union industry and Fintech providers through the agency's Financial Technology and Access team.
- Work with credit unions to implement and use technology solutions so they can operate more efficiently and expand access to affordable and equitable financial services.

Performance Indicators	2021	2022	Q3 2023	2024 Target
1.5.1 Identify and evaluate the opportunities and challenges for federally insured credit unions to adopt emerging financial technology, including artificial intelligence.				
Conduct analysis to identify barriers to financial technology adoption in the credit union system.	—	—	—	Complete by December 31, 2024
Establish a mechanism to promote and facilitate ongoing dialog with stakeholders on existing and emerging technologies in the credit union system.	—	—	—	Establish by December 31, 2024

Strategic Goal 2: Improve the Financial Well-Being of Individuals and Communities Through Access to Affordable and Equitable Financial Products and Services.

Strategic Objectives	Performance Goals
2.1 Enhance consumer access to affordable, fair, and federally insured financial products and services.	2.1.1 Expand community and individual access to fair and affordable credit union products and services.
	2.1.2 Empower consumers with financial education information.
2.2 Support and foster small, minority, low-income, and new credit unions.	2.2.1 Support the viability of credit unions.
	2.2.2 Maximize the agency's grant program.

The Federal Credit Union Act charges the NCUA with promoting access to safe, fair, and affordable credit union services for consumers of all backgrounds and income levels, including those of modest means. The NCUA works to foster the preservation and growth of credit unions in a changing demographic, economic, and technological landscape.

Strategic Goal 2 focuses on the NCUA's role in ensuring that America's system of cooperative credit is fair and open to all consumers, and that it can effectively incorporate new and emerging technologies offering affordable and equitable benefits to its member-owners.

The following objectives, performance goals, and strategies support the NCUA's goal of improving the financial well-being of individuals and communities through access to affordable and equitable financial products and services.

Strategic Objective 2.1

Enhance Consumer Access to Affordable, Fair, and Federally Insured Financial Products and Services.

The NCUA is committed to maintaining up-to-date regulations, policies, and programs that expand consumer access to affordable and equitable financial products and services, along with financial education that helps consumers understand their choices. Informed consumers who have access to a range of safe, fair, and affordable credit union products and services — including from new and emerging technologies — make better financial decisions for themselves and for their communities.

The NCUA will enhance consumer access to affordable, fair, and federally insured financial products and services through the following strategies and initiatives:

- Promote NCUA programs that assist credit unions with providing access to affordable and equitable financial services.
- Focus on meeting the needs of underserved and diverse communities by strengthening financial inclusion through access to affordable and fair credit, education, stability, and support.
- Promote the value of diversity and inclusive financial services in credit unions.
- Actively participate in FFIEC working groups and Financial Literacy Education Commission meetings.

Performance Indicators	2021	2022	Q3 2023	2024 Target
2.1.1 Expand community and individual access to fair and affordable credit union products and services.				
Approve at least 15 Underserved Area expansions, in accordance with regulation and agency policy, that have intended offices or service facilities located no more than 25 miles from any point within the area, or have offices or service facilities reasonably accessible to low-income individuals, and that increase consumer access to affordable financial products.	—	—	—	Greater than or Equal to 15
Develop strategies to close gaps and pursue opportunities in the credit union industry to foster financial inclusion.	—	—	—	Achieve
Increase collaboration with the Community Development Financial Institutions Fund (CDFI Fund).	—	—	—	Achieve

Performance Indicators	2021	2022	Q3 2023	2024 Target
2.1.2 Empower consumers with financial education information.				
Maintain the reach of the NCUA's consumer financial education and literacy information at or above prior three-year average levels.[6]	—	—	+8 percent from 2022 year-end	Achieve

Strategic Objective 2.2

Support and Foster Small, Minority, Low-Income, and New Credit Unions.

The NCUA continues to develop initiatives to foster new and small credit unions, credit unions serving those of modest means, and credit unions designated as minority depository institutions (MDIs). Such efforts will help provide safe, fair, and affordable financial services to traditionally underserved communities. The NCUA will continue to evaluate ways to further streamline its chartering process for new credit unions while preserving its safety and soundness and consumer protection priorities. The NCUA's MDI preservation program provides needed support to federally insured credit unions that serve communities and individuals who may lack access to mainstream financial products and services. The NCUA will support and foster small, minority, low-income, and new credit unions through the following strategies and initiatives:

- Encourage greater use of the NCUA CDRLF and the U.S. Treasury's Community Development Financial Institution certification to bolster services to low-income members.
- Enhance education and outreach services to credit union boards and management, including through online training courses.
- Provide educational assistance and support to groups and communities seeking to form credit unions, including ongoing and regular updates to the chartering guide based on input received from users.
- Seek feedback from newly chartered credit unions and groups supporting them to identify ways to streamline the credit union chartering process while maintaining safety and soundness and consumer protection priorities.
- Structure the CDRLF grant initiatives to maximize the impact on low-income communities.

[6] Reach will be measured as the increase in users of mycreditunion.gov, attendees of financial education webinars hosted or co-hosted by the NCUA, and views of the NCUA's financial education YouTube videos.

- Promote the agency's CDRLF loan program which provides low-cost funds to help low-income designated and MDI credit unions meet the evolving needs of their members and communities.
- Follow-up with federal credit unions on implementation of their business and marketing plans every year for the first three years after receiving a new or expanded community charter.
- Develop an MDI awareness initiative, to promote the growth of existing, and encourage the identification of new, MDI credit unions.

Performance Indicators	2021	2022	Q3 2023	2024 Target
2.2.1 Support the viability of credit unions.				
Maintain the level of members in MDI-designated credit unions at or above 2023 year-end levels.	4.6 million	5.2 million	5.3 million[7]	Greater than or Equal to 2023 year-end levels
Conduct small credit union and MDI assistance program support contacts for 100 percent of participating credit unions.	—	Program Implemented	92 percent	100 percent of participating credit unions
2.2.2 Maximize the agency's grant program.				
Increase the number of first time CDRLF grant applicants by at least 25 percent.	—	—	+76 percent	Greater than or Equal to a 25 percent increase

[7] As of June 30, 2023.

Strategic Goal 3: Maximize Organizational Performance to Enable Mission Success.

Strategic Objectives	Performance Goals
3.1 Attract, develop, and retain an engaged, high-performing, diverse workforce within an inclusive, professional environment.	3.1.1 Deliver effective employee development programs to all staff.
	3.1.2 Foster a professional, inclusive workplace that values diverse perspectives, maximizes employees' contributions, and fosters belonging.
3.2 Deliver improved business processes supported by secure, innovative, and reliable technology solutions and data.	3.2.1 Provide resilient and modern technology and data solutions.
	3.2.2 Gain efficiencies through quality processes, systems, and project management.
3.3 Ensure sound organizational governance.	3.3.1 Foster an effective risk management and internal control environment.

The NCUA's most important resource is its high-quality, skilled employees. To maximize employee contributions to the NCUA's mission, the agency's staff must be supported by efficient and effective processes, tools, data, and modern technology. The right people equipped with the right tools, supported by sound organizational governance, fulfill the agency's mission and deliver organizational excellence.

This goal emphasizes organizational excellence through effective, efficient, and inclusive recruiting, hiring, training, and career-development processes that support and promote diversity within the workplace.

Strategic Objective 3.1

Attract, Develop, and Retain an Engaged, High-Performing, Diverse Workforce Within an Inclusive, Professional Environment.

The NCUA aims to foster a professional work environment that attracts and retains innovative, high-performing, highly engaged, and diverse employees. The NCUA prioritizes diversity and inclusion as a strategic business imperative.

Workforce engagement is critical to the successful performance of the NCUA because an engaged workforce is more efficient, productive, and accountable to the success of the agency. To attract, engage, and retain a highly skilled, diverse workforce and cultivate an inclusive environment, the NCUA will implement the following strategies and initiatives:

- Strengthen the agency's human capital data analytics, statistical modeling, and forecasting capabilities to improve long-range planning efforts.
- Address and eliminate any barriers to equal employment opportunity where low participation exists.
- Develop a culture of continuous learning for the NCUA's employees and incorporate employee feedback into course design to improve future training.
- Maintain investment in programs that promote employee retention and inclusion, such as leadership development opportunities and programs, and special emphasis programs.
- Institute strategic workforce planning processes and tools and strengthen succession planning capabilities to anticipate future workforce needs of the agency and identify talent management solutions to best address them.
- Target diverse communities through awareness campaigns as part of employee recruiting and other outreach efforts.
- Evaluate the results of the Federal Employee Viewpoint Survey (FEVS) and implement changes as necessary to address lower scoring areas.

Performance Indicators	2021	2022	Q3 2023	2024 Target
3.1.1 Deliver effective employee development programs to all staff.				
Obtain at least a 4 (out of 5) average satisfaction rating in class and program evaluations.	4.5	4.7	4.6	Greater than or Equal to 4
3.1.2 Foster a professional, inclusive workplace that values diverse perspectives, maximizes employees' contributions, and fosters belonging.				
Improve the NCUA's FEVS Diversity, Equity, Inclusion, Accessibility (DEIA) Index results by one percentage point.	—	77 percent	77 percent	+1 percentage point
Improve the NCUA's FEVS Employee Engagement Index results by 2 percentage points.	77 percent	76 percent	77 percent	+2 percentage points

Strategic Objective 3.2

Deliver Improved Business Processes Supported by Secure, Innovative, and Reliable Technology Solutions and Data.

The NCUA is committed to implementing new technology responsibly and delivering secure, reliable, and innovative technological solutions with enhanced business processes that support its mission. The NCUA plans for new and improved approaches to harness emerging data, advance its analytical techniques, deploy innovative technology, and implement improvements in its supervisory approach. A robust and secure information technology infrastructure and effective technological applications ensure the effectiveness and efficiency of the agency's workforce.

The NCUA will carry out the following strategies and initiatives to deliver an efficient organizational design supported by improved business processes and innovation:

- Ensure the NCUA is equipped with reliable means of communication during natural or man-made disasters and that personnel are sufficiently trained to use these resources.
- Maintain strong security of information technology systems.
- Enhance the oversight of information technology investments through scheduled project reviews in order to remove obstacles that might negatively impact cost, schedule, scope, risk, quality, or resource requirements.
- Continue development of the NCUA's Enterprise Data Program and an enterprise business intelligence capability.
- Continue researching virtual examination processes, including ways to harness new and emerging data, advancements in analytical techniques, innovative technology, and improvements in supervisory approaches.
- Ensure NCUA-produced digital products, including websites and applications, are consistent, modern, and user- and mobile-friendly.

Performance Indicators	2021	2022	Q3 2023	2024 Target
3.2.1 Provide resilient and modern technology and data solutions.				
Targeted agency systems are accessible and available.	Achieved	Achieved	Achieved	Achieve or exceed availability targets
Maintain an overall maturity rating of at least Level 4, Managed and Measurable, for the NCUA's annual Federal Information Security Management Act information security program assessment.	Level 4	Level 4	Level 4	Level 4 or Higher
3.2.2 Gain efficiencies through quality processes, systems, and project management.				
Maintain a vacancy rate of less than 5 percent to ensure the agency is staffed to accomplish its mission	6.9 percent	7.7 percent	4.8 percent	Less than or Equal to 5 percent
Award at least 70 percent of total eligible contract dollars as competitive actions	59 percent	87 percent	70 percent	Greater than or Equal to 70 percent

Strategic Objective 3.3

Ensure Sound Organizational Governance.

Sound organizational governance at the NCUA protects its people and ensures the stability of its four permanent funds. It promotes responsible management of its resources and ensures the agency complies with relevant laws, policies, and standards. The NCUA will implement the following strategies and initiatives that promote efficient business processes, sound internal controls, and effective risk management practices:

- Maintain sound business processes that promote efficiency in operations and support accountability and decision making.
- Ensure robust financial reporting processes and promote efficiency and continuous improvement.
- Leverage tools, processes, and resources for increasing opportunities to minority- and women-owned businesses in the NCUA competitive procurement process.

- Seek continuous improvements to strengthen the agency's fundamental business processes and procedures.
- Continue to mature the agency's Enterprise Risk Management program and promote a risk-aware culture to ensure cost-effective decision-making and risk management optimization within the agency.

Performance Indicators	2021	2022	Q3 2023	2024 Target
3.3.1 Foster an effective risk management and internal control environment.				
Complete Office of the Inspector General recommendations within the established timeframes.	79 percent	71 percent	—	Greater than or Equal to 90 percent
Receive an unmodified opinion on the NCUA financial statement audits.	Achieved	Achieved	Achieved	Achieve

Management Review

The NCUA develops performance measures through its strategic planning process. The agency holds program managers accountable through meaningful and realistic targets that also challenge the agency to leverage its resources and improve the results achieved by the NCUA. Each designated program manager is responsible for progress in meeting the goals, reporting the results, and making operational adjustments. When appropriate, program managers are required to explain how they will improve performance when targets are not met.

Program Evaluation and Research

The NCUA periodically reviews its performance framework and focuses on tracking and reporting the most appropriate and meaningful outcome-oriented performance goals to show effectiveness, efficiency, and results. The NCUA has not developed outcome-oriented performance goals in all cases and therefore also uses input and output measures that support outcomes, lead to outcomes, or otherwise provide valuable indicators of how the agency is progressing toward achieving its strategic goals and objectives. The NCUA uses the results of quarterly reviews and its annual performance report to inform future development of strategies, goals, measures, and targets. For this performance plan, each office provided its analysis and support for each performance goal.

Several performance indicators in this plan are new for 2024; therefore, historical data is not available. These indicators are marked as "—" in the performance indicator and target tables.

Data Management and Reliability

Data management and data reliability are important in determining performance outcomes. Various offices monitor and maintain automated systems and databases that collect, track, and store performance data, with support provided by the NCUA's Office of the Chief Information Officer. In addition to the general controls the NCUA has in place, which ensure only authorized staff can access key systems, each application or system incorporates internal validation edits to ensure the accuracy of data contained therein. These application edits include checks for reasonableness, consistency, and accuracy. Crosschecks between other internal automated systems also provide assurances of data accuracy and consistency.

Enterprise Risk Management

The NCUA is subject to a variety of risks that relate to its objectives, strategies, operations, reputation, and environment. Through the NCUA's Enterprise Risk Management program, the agency is proactively managing risks to achieving its mission, as well as maximizing opportunities across the agency. Enterprise Risk Management examines the full spectrum of risks related to achieving the NCUA's strategic objectives and provides agency leadership with a portfolio view of risk to help inform decision-making.

The agency's Enterprise Risk Management Council works collaboratively with risk leads, other agency governing councils, and subject-matter experts to optimize risk management and mitigation on a consistent and continuous basis.

In 2022, the NCUA Board approved an updated risk appetite statement. The NCUA developed this statement through careful consideration and evaluation of the risks the agency faces while focused on achieving its strategic objectives, consistent with its strategic plan.

Hyperlinks to Related Resources

2022–2026 Strategic Plan
Examination Flexibility Initiative
Consumer Assistance Center
Annual Voluntary Credit Union Diversity Self-Assessment
MDI Preservation Program
NCUA Diversity and Inclusion
NCUA Budget Documents
NCUA's Risk Appetite Statement
NCUA Annual Reports
Cybersecurity Resources
NCUA Regulations
Enterprise Solution Modernization Program

Appendix A — Budgetary Requirements by Strategic Goal

Strategic Goal	2024 Budget	
	Dollars (in Millions)	Positions
Goal 1: Ensure a safe, sound, and viable system of cooperative credit that protects consumers.	$244.69	1,023
Goal 2: Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services.	$16.97	63
Goal 3: Maximize organizational performance to enable mission success.	$114.64	151
Office of Inspector General	$4.29	10
Total	**$380.58**	**1,247**

Budgets for the Offices of the Board, Executive Director, Ombudsman, General Counsel, Ethics Council, External Affairs and Communications, and Chief Financial Officer and the Capital Budget are allocated across all strategic goals.

Note: Position totals do not include five positions funded by the Central Liquidity Facility. Minor rounding differences may occur in totals.

Appendix B — Performance Management Programs Process

The NCUA's performance management programs process begins with the agency's strategic plan, which provides long-term strategic goals for the agency and serves as the cornerstone of the performance management process. It outlines the NCUA's annual (short-term) objectives, strategies, and corresponding performance goals that contribute to accomplishing the established strategic goals. Goal accomplishment is evaluated through the use of performance indicators each quarter. At the end of each performance plan period, a formal analysis of performance is documented in the Performance Results Summary of the *Annual Report*, which includes performance indicator results, an analysis of agency program performance, and factors that may have affected goal achievement. The Office of Management and Budget (OMB) also evaluates the effectiveness of the NCUA's programs and performance management process.

The NCUA continues to strengthen planning and budget processes. The performance goals outlined in the strategic plan provide a framework for both the *Annual Performance Plan* and the budget request. The NCUA's 2024–2025 Budget supports the *2022–2026 Strategic Plan* to achieve agency priorities and improve agency performance. The budget supports the NCUA's three strategic goals and enables the NCUA's plans to address key challenges and leverage agency strengths.

The President's Budget identifies the lower-priority program activities, as required under the Government Performance and Results Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at the OMB website.