



NCUA ANNUAL PERFORMANCE PLAN

Calendar Year 2026

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AGENCY OVERVIEW

Established by Congress in 1970, the National Credit Union Administration (NCUA) insures deposits at federally insured credit unions, protects the members who own credit unions, and charters and regulates federal credit unions.

NCUA regulates and supervises approximately 4,287 federally insured credit unions holding \$2.4 trillion in assets and serving more than 144 million members across all states and U.S. territories.

Reflecting the NCUA's statutory responsibilities, the NCUA's mission is to ***Enable access to financial services by facilitating safe, sound, and resilient credit unions.***

The agency's approach to meeting its statutory responsibilities reflects that credit unions are not-for-profit organizations that exist to serve their members. Members of a credit union share a common bond, also known as the credit union's "field of membership." Credit unions are owned and controlled by the people, or members, who use their services. The members elect a volunteer board of directors to manage their credit union. Credit unions provide a wide array of safe and affordable financial services, including accepting deposits and making loans.

The agency carries out its statutory responsibilities through a nationwide organization of headquarters offices and regional operations that support examination, supervision, insurance, and consumer protection activities.

To support the safety and soundness of federally insured credit unions and protect federally insured deposits, NCUA administers several congressionally authorized funds, including:

- [**National Credit Union Share Insurance Fund**](#) (Share Insurance Fund), which insures members' deposits in federally insured credit unions;
- [**Operating Fund**](#), which finances agency operations;
- [**Central Liquidity Facility**](#), a contingent source of liquidity for credit unions; and,
- [**Community Development Revolving Loan Fund**](#), which supports eligible credit unions serving low-income communities.

The NCUA collaborates with the other financial regulatory agencies through several councils, such as the Financial Stability Oversight Council, the Federal Financial Institutions Examination Council, and the Financial and Banking Information Infrastructure Committee. These councils and committees and their associated task forces and working groups contribute to the success of the NCUA's mission.

EXECUTIVE SUMMARY

The NCUA Annual Performance Plan establishes the agency's performance priorities for the first year of the 2026 – 2030 NCUA Strategic Plan. It translates long-term direction into specific, measurable outcomes that guide execution and measure progress during 2026.

This 2026 Annual Performance Plan is directly aligned to the 2026 – 2030 NCUA Strategic Plan and is intended to link strategy to programmatic execution. The following elements establish the agency's framework for planning, executing, and assessing performance.

- **Strategic Goals** establish the agency's priorities and overall direction, providing a long-term framework to guide decision-making and focus resources.
- **Strategic Objectives** define the specific outcomes necessary to achieve those goals, translating broad priorities into focused areas of effort and performance.
- **Annual Performance Goals** translate those strategic objectives into specific outcomes for the performance year, providing clear expectations for execution.
- **Performance Indicators** measure progress and results against each of the performance goals, enabling ongoing assessment and accountability.

Together, each of these elements enable the agency to define expected performance for the 2026 calendar year and measure progress toward fulfilling the following multi-year strategic goals outlined in the NCUA Strategic Plan.

- **Strategic Goal 1:** Safeguard Federally Insured Credit Unions.
- **Strategic Goal 2:** Enable Access to Cooperative Financial Services and Responsible Innovation.
- **Strategic Goal 3:** Strengthen NCUA's Capabilities and Performance.

For each of the strategic goals, NCUA identified three strategic objectives to guide its actions over the next five years. These multi-year strategic objectives focus on enhancing examination effectiveness and prioritizing risk, minimizing unnecessary regulatory requirements, maintaining the financial resilience of the Share Insurance Fund, improving supervisory effectiveness, ensuring financial stability, enabling innovation and access, and strengthening the agency's systems, structure, and workforce.

In turn, the strategic objectives establish the foundation for the 2026 performance goals and indicators outlined in this Annual Performance Plan. The performance goals and indicators will guide execution and measure progress during the 2026 performance year.

PERFORMANCE OVERVIEW

The performance goals and indicators outlined in this Annual Performance Plan define how the NCUA will measure success in 2026 and ensure progress toward achieving the NCUA Strategic Plan's long-term strategic goals.

For this performance year, the agency has established 17 annual performance goals aligned to its strategic objectives. These performance goals define the specific outcomes to be achieved and are supported by 23 performance indicators that measure results against defined targets.

The 2026 performance goals encompass actions such as:

- Focusing NCUA's examinations on activities that pose material financial risk to credit unions to maintain efficiency and high-quality supervision.
- Reducing regulatory and administrative burden on credit unions by eliminating unnecessary or outdated requirements.
- Accelerating use of enhanced data, analytic models, and artificial intelligence (AI)-based technology tools to improve the efficiency and effectiveness of risk identification, analysis, and decision-making.
- Safeguarding the long-term success of cooperative financial services by administering appropriated grants to support credit unions.
- Executing operational, organizational, and workforce improvements to ensure alignment with statutorily required activities and mission-critical needs.

By achieving each of the agency's 2026 performance goals, the agency will strengthen its ability to meet statutory requirements, advance Administration priorities, improve execution and accountability across its workforce, and deliver more effective supervision and support to federally insured credit unions and the broader credit union movement.

NCUA actively monitors performance throughout the year to assess progress, identify risks, and inform management decisions, reinforcing accountability and ensuring continued alignment with the agency's priorities and statutory responsibilities. To support effective execution, the agency integrates performance management into its regular operations through established review processes, leadership engagement, and ongoing coordination across the organization.

The following sections present NCUA's detailed 2026 performance goals and performance indicators that measure success for each multi-year strategic objective.

STRATEGIC GOAL 1: SAFEGUARD FEDERALLY INSURED CREDIT UNIONS

NCUA is responsible for ensuring the safety and soundness of federally insured credit unions through effective supervision, regulation, and oversight. Achieving Strategic Goal 1 requires a continued focus on identifying and addressing material risks in credit unions, maintaining the financial strength of the Share Insurance Fund, and ensuring that supervisory programs are efficient, effective, and aligned with the evolving risk environment.

NCUA will prioritize efforts that strengthen examination and supervision practices, reduce unnecessary regulatory burden, and enhance the use of data, analytics, and technology to improve risk identification, decision-making, and overall supervisory effectiveness. These efforts are intended to ensure that resources are focused on areas of greatest risk and impact, while ensuring a strong and resilient credit union system.

The following table provides a summary of the multi-year strategic objectives and associated 2026 performance goals that support Strategic Goal 1.

STRATEGIC OBJECTIVES (2026 – 2030)		PERFORMANCE GOALS (2026)	
1.1	Advance risk-focused examination and supervision programs to improve efficiency, prioritize material risks, and reduce unnecessary regulatory or administrative burden.	1.1.1	Focus NCUA’s examinations on activities that pose material financial risk to credit unions to maintain efficiency and high-quality supervision.
		1.1.2	Reduce regulatory and administrative burden on credit unions by eliminating unnecessary or outdated requirements.
1.2	Ensure the long-term stability of the Share Insurance Fund.	1.2.1	Sustain the health of the Share Insurance Fund by maintaining its equity ratio between the statutory minimum and the Board-established Normal Operating Level.
		1.2.2	Supervise and resolve troubled institutions in a timely manner and at the least long-term cost to the Share Insurance Fund.
1.3	Expand and augment the use of data, analytics, and artificial intelligence tools to strengthen credit union oversight.	1.3.1	Accelerate examiner use of enhanced data, analytic models, and artificial intelligence-based technology tools to improve the efficiency and effectiveness of risk identification, analysis, and decision-making.

The following sections present the 2026 performance goals and indicators aligned to Strategic Objectives 1.1 through 1.3. The section is organized to clearly reflect the

relationship between each objective, its corresponding performance goals, and the indicators used to assess results.

Strategic Objective 1.1

Advance risk-focused examination and supervision programs to improve efficiency, prioritize material risks, and reduce unnecessary regulatory or administrative burden.

In 2026, NCUA will advance a more targeted and efficient examination and supervision framework by prioritizing activities that address material financial risks to federally insured credit unions. This includes eliminating examination scope steps that are unnecessary or unduly burdensome in order to reduce lower-priority work without diminishing the agency's ability to oversee safe and sound operations.

Concurrently, NCUA will take regulatory and policy actions to reduce outdated or duplicative requirements, enabling both the agency and credit unions to focus resources where they are most needed to identify, assess, and mitigate risk.

Performance Goal 1.1.1

Focus NCUA's examinations on activities that pose material financial risk to credit unions to maintain efficiency and high-quality supervision.

To support this performance goal, the agency will pursue a more risk-driven supervisory approach that prioritizes areas with the greatest potential impact on financial risk and performance. This includes strengthening examiner decision-making, improving consistency in how risk is identified and assessed, and ensuring that supervisory efforts are aligned with the complexity and risk profile of each credit union.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will eliminate examination scope steps that are unnecessary or unduly burdensome.	These actions will allow supervisory resources to be more effectively aligned to higher-risk activities, improving the quality and timeliness of risk identification. It will also reduce lower-priority work for both examiners and credit unions while maintaining effective oversight of safe and sound practices.

Performance Goal 1.1.2:

Reduce regulatory and administrative burden on credit unions by eliminating unnecessary or outdated requirements.

To support this performance goal, the agency will evaluate existing regulations, guidance, and policies to identify requirements or processes that are duplicative, burdensome, outdated, obsolete, or of lower value. This includes aligning internal and external policy,

guidance, and frameworks with current risk environments and operations, while ensuring that requirements continue to support and promote safety, soundness, and resilience.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will issue at least 30 regulatory actions or policy revisions that responsibly reduce regulatory and/or administrative burden on credit unions.</p>	<p>These actions will enable NCUA and credit unions to reallocate resources toward materials risks, allow credit unions to innovate and better serve their members, reduce confusion and improve compliance efficiency, and promote fairness, transparency, and resilience in compliance expectations.</p>

Strategic Objective 1.2

Ensure the long-term stability of the Share Insurance Fund.

In 2026, NCUA will focus on maintaining the strength and resilience of the Share Insurance Fund by proactively identifying and addressing emerging risks within federally insured credit unions. This includes closely monitoring financial trends, ensuring timely supervisory responses for higher-risk institutions, and maintaining sufficient reserves to absorb potential losses. These efforts will support continued confidence in the credit union system and protect the integrity of the Share Insurance Fund.

Performance Goal 1.2.1

Sustain the health of the Share Insurance Fund by maintaining its equity ratio between the statutory minimum and the Board-established Normal Operating Level.

To support this performance goal, NCUA will actively monitor the health of the Share Insurance Fund and the broader credit union system to ensure the equity ratio remains within the established range. This includes assessing exposure to potential losses, evaluating trends in insured shares, and taking appropriate actions to preserve the Fund’s strength and stability through varying economic conditions.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will achieve a year-end 2026 Share Insurance Fund equity ratio at or above 1.2 percent and at or below the normal operating levels established by the NCUA Board (after any required distributions, if applicable).</p>	<p>Maintaining the Share Insurance Fund within its target equity range demonstrates NCUA’s commitment to a stable and reliable fund, ensuring confidence that the credit union movement will continue to serve its member-owners and provide affordable financial services.</p>

Performance Goal 1.2.2

Supervise and resolve troubled institutions in a timely manner and at the least long-term cost to the Share Insurance Fund.

To achieve this performance goal, NCUA will prioritize early identification and timely supervisory responses for credit unions whose CAMELS composite ratings indicate elevated risk. This includes initiating follow-up examinations within established timeframes, and applying procedures and strategies that are proportionate to the level of risk identified. These efforts will contain potential losses, support operational continuity, and ensure that supervisory actions effective, efficient, and risk-focused.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will initiate at least 97 percent of follow-up examinations within established timeframes for federally insured credit unions with CAMELS composite ratings of 4 or 5, or composite 3 ratings with assets greater than \$250M.	Timely follow-up examinations will enable earlier supervisory intervention, reducing the likelihood that emerging risks escalate and strengthening NCUA’s ability to mitigate potential failures before they result in significant losses.
NCUA will maintain Share Insurance Fund losses for 2026 at or below the established reserve for losses.	Maintaining Share Insurance Fund losses within established reserves will protect the Fund’s strength and viability, ensuring it remains well-capitalized and preserves the long-term stability of federally insured credit unions.

Strategic Objective 1.3

Expand and augment the use of data, analytics, and artificial intelligence tools to strengthen credit union oversight.

In 2026, NCUA will enhance credit union oversight by making greater use of its data holdings and implementing emerging technologies like artificial intelligence tools and robust analytic models. This includes improving the agency’s ability to identify, analyze, and respond to emerging risks across the credit union system. These efforts ultimately strengthen the agency’s examination and supervisory activities by improving risk identification and decision-making while increasing consistency across examination processes.

Performance Goal 1.3.1

Accelerate examiner use of enhanced data, analytical models, and artificial intelligence-based technology tools to improve the efficiency and effectiveness of risk identification, analysis, and decision-making.

To support this performance goal, the agency will prioritize development of data-driven tools to identify patterns of potentially unacceptable risk in credit unions while making

progress implementing specialized AI tools that help better inform its analyses and decisions. This includes releasing new and better tools that examiners can use to identify risk in credit unions and streamlining availability of the data that informs such analyses.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will deploy an additional data-driven model that assesses one or more credit union risks to help prioritize supervision.</p>	<p>This action will strengthen the efficiency and effectiveness of NCUA examiners by streamlining risk identification and better aligning NCUA resources to credit unions exhibiting higher risks of loss to the Share Insurance Fund.</p>
<p>NCUA will achieve key 2026 milestones in its near-term AI roadmap, including completing a large language model pilot program, establishing an AI Steering Committee, and refining its AI strategy.</p>	<p>These actions will build on recent efficiency gains by enabling employees to further analyze increasingly complex data and information and by supporting the continued identification and delivery of high-quality supervision in an increasingly complex credit union system.</p>

STRATEGIC GOAL 2: ENABLE ACCESS TO COOPERATIVE FINANCIAL SERVICES AND RESPONSIBLE INNOVATION

When NCUA fulfills its duties effectively, federally insured credit unions can continue to provide consumers with access to cooperative financial services while adapting responsibly to new products, services, and delivery channels. Achieving Strategic Goal 2 requires effective collaboration between the NCUA and its stakeholders to develop a balanced understanding of risks faced by credit unions. Credit unions operate in a rapidly evolving financial environment shaped by technological changes, emerging business models, and shifting expectations from member-owners.

NCUA will promote collaboration with stakeholders to solve challenges in the credit union movement, promulgate regulations and guidance that promote responsible innovation, and improve the efficiency and effectiveness of its chartering, field of membership, and service expansion activities. These efforts will reduce unnecessary or unduly burdensome barriers to the viability of credit unions, helping maintain vitality and competitiveness within the credit union movement.

The following table provides a summary of the multi-year strategic objectives and associated 2026 performance goals that support Strategic Goal 2.

STRATEGIC OBJECTIVES (2026 – 2030)		PERFORMANCE GOALS (2026)	
2.1	Foster an environment where federally insured credit unions can responsibly adopt financial technology, digital assets, and other innovations.	2.1.1	Promulgate regulations and guidance about credit union adoption of financial technologies and other innovations.
2.2	Increase collaboration with key stakeholders to identify emerging trends and safeguard the long-term success of cooperative financial services.	2.2.1	Engage with stakeholders to inform policy, regulatory development, and guidance to keep the agency’s oversight approaches effective, risk-focused, and responsive to change.
		2.2.2	Enhance NCUA’s participation in cross-agency initiatives with federal and state partners to identify and address emerging risks to the maximum extent possible.
		2.2.3	Safeguard the long-term success of cooperative financial services by administering appropriated grants to support credit unions.
2.3	Enable access to cooperative financial services by reducing unnecessary or unduly burdensome barriers, including for chartering and expansion of services.	2.3.1	Increase access to cooperative financial services, including in underserved markets.
		2.3.2	Streamline credit union chartering through automation and process revisions.

The following sections present the 2026 performance goals and indicators aligned to Strategic Objectives 2.1 through 2.3. The section is organized to clearly reflect the relationship between each objective, its corresponding performance goals, and the indicators used to assess results.

Strategic Objective 2.1

Foster an environment where federally insured credit unions can responsibly adopt financial technology, digital assets, and other innovations.

In 2026, NCUA will develop regulations, policies, and programs that enable the responsible adoption of financial technologies, digital assets, and other innovative financial products and services that credit unions may use. This includes building awareness of emerging technologies and innovation trends, ensuring that regulations are consistent with developments in technology marketplaces, and assessing and addressing the risks that changing technologies may present to the credit union movement.

Performance Goal 2.1.1

Promulgate regulations and guidance about credit union adoption of financial technologies and other innovations.

To support this performance goal, the agency will prioritize the development of rules and guidance that define how credit unions can adopt financial technologies in a safe, sound, and risk-focused manner. This includes incorporating stakeholder input and coordinating across financial regulators to ensure consistent, practical standards for federally insured credit unions.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will issue final regulations on permissible stablecoin activities for all federally insured credit unions.	This action will establish the permissible uses of stablecoins by federally insured credit unions, empowering them to responsibly pursue alternative payment offerings for their members.

Strategic Objective 2.2

Increase collaboration with key stakeholders to identify emerging trends and safeguard the long-term success of cooperative financial services.

In 2026, NCUA will collaborate with federal and state regulators and other key stakeholders to identify emerging trends in financial services and support the responsible evolution of products and services provided by credit unions. Ongoing coordination and information sharing will strengthen oversight, reduce fragmentation, and ensure credit unions can effectively respond to changes in markets, technology, and consumer expectations.

Effective coordination will also help ensure oversight remains risk-focused, adaptable, and aligned with national priorities. Such coordination efforts also help align federal grants with national priorities and ensure awarded funds deliver intended results.

Performance Goal 2.2.1

Engage with stakeholders to inform policy, regulatory development, and guidance to keep the agency’s oversight approaches effective, risk-focused, and responsive to change.

To support this performance goal, the agency will engage with credit union stakeholders thoughtfully and deliberately through regular interactions to collect input that informs policy, guidance, and regulatory development. Historically, credit unions have been successful by following a “people helping people” model of community and customer service. NCUA contributes to this spirit by engaging with stakeholders who make up the credit union movement, helping the agency better understand the perspectives of those who run the system it oversees.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will conduct regular public interactions to collect stakeholder input to inform policy and regulatory development and guidance.</p>	<p>Regular public interactions will allow NCUA to learn from credit unions and, in turn, develop more effective policies and regulations while being responsive to market changes. Engagement with stakeholders provides an opportunity to give meaningful feedback to the agency about NCUA’s operations and how emerging trends and changes in market conditions impact the safety, soundness, and resilience of the credit union system.</p>

Performance Goal 2.2.2

Enhance NCUA’s participation in cross-agency initiatives with federal and state partners to identify and address emerging risks to the maximum extent possible.

To support this performance goal, NCUA will continue to build upon its tradition of productive engagements with its state and federal regulatory partners. This includes active participation in federal interagency working groups to promote coordinated, consistent, and equitable policies, guidance, and regulations. Engagement with State Supervisory Authorities also helps reduce overlapping or conflicting requirements and strengthens the effectiveness of the dual chartering system in meeting the needs of credit union members.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will participate in at least three joint NCUA-State Supervisory Authority engagements to coordinate supervisory approaches and address emerging risks and trends affecting the credit union system.</p>	<p>These engagements will improve alignment between federal and state supervision, reduce overlapping or conflicting requirements, and strengthen the effectiveness of the dual chartering system.</p>
<p>NCUA will represent credit union interests in priority interagency working group meetings with federal financial regulators to inform coordinated policy responses to emerging risks and trends affecting the financial system.</p>	<p>Ongoing coordination among federal financial regulators will promote consistent policy approaches, strengthen interagency alignment, and enable more effective and timely responses to emerging risks, supporting the overall stability of the financial system.</p>

Performance Goal 2.2.3

Safeguard the long-term success of cooperative financial services by administering appropriated grants to support credit unions.

To support this performance goal, NCUA administers grants appropriated by Congress in a manner consistent with the Administration’s policies and principles of responsible financial stewardship of public resources. Pursuant to law, grants administered by the NCUA help low-income credit unions better serve members, particularly those of modest means, which contributes to the long-term success of cooperative financial services.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will award at least 95 percent of 2025 Congressionally appropriated grants while ensuring all awards are made in full accordance with Administration policies and priorities.</p>	<p>Effective administration of Congressionally appropriated grants will improve service for members of low-income-designated credit unions by expanding access to savings accounts and loan products in underserved communities. This, in turn, helps Americans who might otherwise find it difficult, or even impossible, to achieve financial stability.</p>

Strategic Objective 2.3

Enable access to cooperative financial services by reducing unnecessary or unduly burdensome barriers, including for chartering and expansion of services.

Performance Goal 2.3.1

Increase access to cooperative financial services, including in underserved markets.

To support this performance goal, the agency will focus on efficiently processing credit unions’ requests to modify their fields of membership and expand service offerings, when appropriate and consistent with applicable laws and regulations. NCUA will continue to review and, if appropriate, approve expansion requests and oversee policies and processes to ensure credit unions can effectively serve current and prospective members, including those in underserved areas.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will process at least 80 percent of Underserved Area, Multiple Common Bond, and Community Expansion Field of Membership requests within targeted timeframes.	Efficient processing of credit unions’ field of membership applications will support responsible expansion into underserved markets and help credit unions meet evolving member needs, while reinforcing a customer-centric approach to NCUA operations.

Performance Goal 2.3.2

Streamline credit union chartering through automation and process revisions.

To achieve this performance goal, NCUA will focus on reducing unnecessary steps or unduly burdensome barriers that impede the awarding of federal charters to groups organizing new credit unions. The agency will also automate the new charter application process to the greatest extent possible. By streamlining credit union chartering, NCUA will enable new credit unions to form more quickly, efficiently, and at lower cost.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will reduce and/or eliminate burdensome barriers for new charter applicants by revising processes and deploying automated application tools.	These actions will result in faster and more efficient processing of new charter applications by reducing duplicative and burdensome requirements while improving coordination of application reviews and strengthening data management for submissions.

STRATEGIC GOAL 3: STRENGTHEN NCUA’S CAPABILITIES AND PERFORMANCE

Strategic Goal 3 focuses on strengthening NCUA’s capabilities and performance through more effective use of technology, improved organizational alignment, and a highly skilled workforce. Achieving this goal requires the agency to enhance enterprise systems and data capabilities, refine its organizational structure, promote accountability and eliminate duplication, and invest in workforce development and performance management.

Together, these efforts are designed to modernize operations, strengthen internal controls, and ensure resources are aligned with statutory and mission-critical priorities. By improving how the agency manages information, organizes its functions, and develops its workforce, NCUA will be better positioned to respond to evolving challenges, operate more efficiently, and deliver consistent, high-quality oversight of the credit union system.

The following table provides a summary of the multi-year strategic objectives and associated 2026 performance goals that support Strategic Goal 3.

STRATEGIC OBJECTIVES (2026 – 2030)		PERFORMANCE GOALS (2026)	
3.1	Optimize enterprise systems and technology to increase efficiency and performance through enhanced data management, analytics, and automation.	3.1.1	Advance NCUA adoption of emerging technologies, including analytic and automation tools, to improve operational efficiency, data analysis, and decision-making.
		3.1.2	Update enterprise information technology systems and data management to improve reliability, security, and performance.
3.2	Implement and sustain an organizational structure that supports clear accountability, eliminates duplication, and emphasizes the core statutory functions that Congress established the agency to perform.	3.2.1	Refine the agency’s organizational structure by consolidating major business units, grouping similar roles and responsibilities, and eliminating non-statutory functions.
		3.2.2	Reinforce accountability by sustaining the agency’s risk-management and internal control environments.
3.3	Strengthen workforce capabilities through merit-based hiring, talent management, and enhanced performance management.	3.3.1	Enhance the NCUA workforce through skills-driven, merit-based hiring that meets mission-critical needs.
		3.3.2	Strengthen current employee skillsets through effective development programs aligned with statutorily required activities and mission-critical needs.

The following sections present the 2026 performance goals and indicators aligned to Strategic Objectives 3.1 through 3.3. The section is organized to clearly reflect the relationship between each objective, its corresponding performance goals, and the indicators used to assess results.

Strategic Objective 3.1

Optimize enterprise systems and technology to increase efficiency and performance through enhanced data management, analytics, and automation.

In 2026, NCUA will expand its use of technology and automation to improve efficiency across data management, analysis, and agency operations. Achieving this objective requires modern, secure enterprise platforms, strong data management and analytical capabilities, and the effective integration of technology tools across agency programs. To remain effective and responsive, the agency must optimize its use of technology to enhance accuracy, efficiency, and consistency in its operations. These efforts will improve service delivery, reduce unnecessary bureaucracy, and strengthen overall mission performance.

Performance Goal 3.1.1

Advance NCUA adoption of emerging technologies, including analytic and automation tools, to improve operational efficiency, data analysis, and decision-making.

To support this performance goal, NCUA will identify and deploy emerging technologies, including advanced analytics and artificial intelligence, to strengthen agency-wide capabilities and improve operational efficiency. The agency will assess and implement solutions that address enterprise analytical needs, enhance decision-making, and support more effective supervision and operations. By modernizing its examination systems and integrating AI across core functions, NCUA will improve workforce productivity, strengthen problem-solving capabilities, and better position the agency to respond to evolving risks and mission demands.

PERFORMANCE INDICATOR	INTENDED IMPACT
<p>NCUA will deploy the Analytics 2.0 Phase I upgrade to the MERIT examination system by Q1 2026 to enhance supervisory analyses and examination insights.</p>	<p>Upgrading the MERIT examination system will enable NCUA examiners to efficiently conduct more sophisticated analyses while ensuring the agency maintains appropriate security controls for sensitive credit union data.</p>
<p>NCUA will assess high-priority AI use cases against available AI models and incorporate recommendations into the agency's AI Implementation Strategy.</p>	<p>Identification, selection, and implementation of AI tools will improve how staff across the agency access, analyze, and apply information; reduce manual, repetitive, and burdensome efforts; and enhance the efficiency, consistency, and quality of day-to-day operations.</p>

Performance Goal 3.1.2

Update enterprise information technology systems and data management to improve reliability, security, and performance.

To support this performance goal, NCUA will strengthen its data management and expand access to easy-to-use datasets for internal analyses. The agency will also identify opportunities to develop technology-based solutions that reduce administrative workload, enabling employees to focus on higher-value activities. By automating routine and/or burdensome tasks, the agency will improve operational efficiency and promote employees' ability to support high-impact work.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will restructure and promulgate credit union datasets for enterprise analysis and reporting.	Easy access to properly cleaned and organized credit union datasets will enable employees to focus on analysis rather than time-intensive data preparation and management.
NCUA will institute a single employee time-reporting system to eliminate duplicative administrative processes.	Consolidating employee time reporting into a single system will reduce administrative burden and allow staff to focus on statutory and mission-critical priorities.

Strategic Objective 3.2

Implement and sustain an organizational structure that supports clear accountability, eliminates duplication, and emphasizes the core statutory functions that Congress established the agency to perform.

In 2026, NCUA's reorganization will allow it to adapt effectively to the evolution of financial services and growing federal mandates for improved service delivery. NCUA will accomplish its reorganization milestones while continuing to deliver on its consistent record of positive audit results. During this period of organizational change, NCUA will demonstrate its continued ability to effectively steward credit union resources by achieving positive results on audits of its financial and cybersecurity operations.

Performance Goal 3.2.1

Refine the agency's organizational structure by consolidating major business units, grouping similar roles and responsibilities, and eliminating non-statutory functions.

To support this performance goal, NCUA will continue pursuing its agency reorganization, ensuring alignment of programs and functions with statutory responsibilities and mission-critical priorities. This includes evaluating existing activities to identify and eliminate non-essential functions and consolidating roles and business units to reduce duplication and

improve efficiency. These efforts will further plans to simplify the agency’s structure, strengthen accountability, and enable NCUA to execute its mission efficiently and effectively.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will finalize reorganization project plans and complete all 2026 reorganization milestones by year-end.	These actions will establish a clear framework for organizational alignment, including defined roles, responsibilities, and program structure, to support implementation of the agency’s broader reorganization.

Performance Goal 3.2.2

Reinforce accountability by sustaining the agency’s risk-management and internal control environments.

To support this performance goal, NCUA will fulfill its managerial responsibilities for appropriate and mature controls that minimize risk. Audit requirements for financial operations and information security continue to become more stringent, which requires NCUA to strengthen its internal operations and controls. These efforts highlight the agency’s commitment to professional and competent management that prioritizes prudent stewardship of credit union resources.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will achieve an unmodified opinion on the agency’s financial statement audits.	An unmodified, or “clean,” opinion from third-party auditors provides reassurance that NCUA programs meet the highest professional standards for integrity and honesty in financial operations and presentations. This result ensures confidence in the agency’s management of credit union resources.
NCUA will achieve an overall maturity rating of at least Level 4, Managed and Measurable, for the agency’s annual Federal Information Security Management Act (FISMA) information security program assessment.	Robust information security controls are crucial for protecting federal information systems while ensuring data confidentiality, integrity, and availability. Maintaining a mature information security program increases stakeholder trust in NCUA’s management and use of sensitive credit union data and resources.

Strategic Objective 3.3

Strengthen workforce capabilities through merit-based hiring, talent management, and enhanced performance management.

NCUA’s most important resource is its high-quality, skilled employees. In 2026, NCUA will enhance its workforce’s skills and abilities through effective hiring, training, and performance accountability. By providing incentives for its employees to strengthen their skills while attracting and retaining an innovative and high-performing workforce, the

agency will be well positioned to respond effectively to future changes in the credit union movement and address the impacts of shifting economic conditions.

Performance Goal 3.3.1

Enhance the NCUA workforce through skills-driven, merit-based hiring that meets mission-critical needs.

To support this performance goal, NCUA will strengthen its recruiting, vetting, and selection practices to ensure the agency attracts and retains talent in alignment with statutory requirements and mission-critical needs. As NCUA continues to implement its reorganization initiative, the agency will identify and align the skills and capabilities required across its programs. These efforts will inform recruitment and retention strategies grounded in merit-based principles, ensuring the agency has the workforce needed to meet its mission.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will implement its 2026 Staffing Plan, aligned with the Merit Hiring Plan, to strengthen talent acquisition and ensure staff are effectively deployed to meet mission needs.	The staffing plan serves as the blueprint that connects skills-driven, merit-based hiring to the agency's strategic workforce requirements, ensuring the right positions are filled with the right expertise. These actions will result in NCUA building a workforce with the talent, skills, and qualifications necessary for the agency to accomplish its mission.

Performance Goal 3.3.2:

Strengthen current employee skillsets through effective development programs aligned with statutorily required activities and mission-critical needs.

To support this performance goal, NCUA will strengthen employee training and performance management programs to address skill gaps, reinforce accountability, and reward high performance. The agency will align developmental efforts with mission-critical functions and evolving demands across the financial services sector, ensuring employees are equipped with the capabilities needed to execute their responsibilities effectively and deliver results for the agency and the broader credit union movement.

PERFORMANCE INDICATOR	INTENDED IMPACT
NCUA will identify and develop plans to address gaps in employee skillsets, including through enhanced field staff training, supervisor skills development, and technology and AI skills development.	These efforts will ensure targeted development of skillsets, improving role-specific performance and strengthening execution across agency programs.

MAJOR MANAGEMENT CHALLENGES

The NCUA's Office of the Inspector General (OIG) is required by the Reports Consolidation Act of 2000, 31 U.S.C. § 3516, to provide an annual statement on the top management and performance challenges facing the agency and to briefly assess the agency's progress to address them. For 2026, the OIG identified the following top challenges facing the NCUA:

1. Balance Sheet Management
2. Redefining Regulatory and Supervisory Approaches
3. Cybersecurity – Protecting Systems and Data
4. Implementation of Artificial Intelligence
5. Agency Realignment

For more detailed information on each of the challenges and the OIG's recommended response for each, please visit [Top Management and Performance Challenges 2026](#).

ENTERPRISE RISK MANAGEMENT

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 achieve its mission, as well as to maximize 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.

In 2022, the NCUA Board approved an updated [risk appetite statement](#) after careful consideration and evaluation of the risks to achieving the agency's strategic goals and objectives. The NCUA Board will review its risk appetite statement in consideration of its new strategic plan and changes in the risk environment.

LOW PRIORITY PROGRAM ACTIVITIES

The President's Budget identifies lower-priority program activities, where applicable, as required under the GPRA Modernization Act of 2010, 31 U.S.C. 1115(b)(10). The public can access the volume at: <https://www.whitehouse.gov/omb/budget/>

ACCURACY AND RELIABILITY OF PERFORMANCE DATA

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.

APPENDIX A. 2026 PERFORMANCE INDICATORS AND TARGETS BY PERFORMANCE GOAL

Strategic Goal 1: Safeguard federally insured credit unions.

2026 PERFORMANCE GOAL	#	2026 PERFORMANCE INDICATOR	2026 TARGET
1.1.1: Focus NCUA's examinations on activities that pose material financial risk to credit unions to maintain efficiency and high-quality supervision.	1	NCUA will eliminate examination scope steps that are unnecessary or unduly burdensome.	Unnecessary or unduly burdensome scope steps eliminated by 12/31/26.
1.1.2: Reduce regulatory and administrative burden on credit unions by eliminating unnecessary or outdated requirements.	2	NCUA will issue at least 30 regulatory actions or policy revisions that responsibly reduce regulatory and/or administrative burden on credit unions.	Issue at least 30 notices, NPRMs, final rules, or other policy revisions that reduce burden.
1.2.1: Sustain the health of the Share Insurance Fund by maintaining its equity ratio between the statutory minimum and the Board-established Normal Operating Level.	3	NCUA will achieve a year-end 2026 Share Insurance Fund equity ratio at or above 1.2 percent and at or below the normal operating levels established by the NCUA Board (after any required distributions, if applicable).	SIF equity ratio between 1.2 percent and NOL by 12/31/26.
1.2.2: Supervise and resolve troubled institutions in a timely manner and at the least long-term cost to the Share Insurance Fund.	4	NCUA will initiate at least 97 percent of follow-up examinations within established timeframes for federally insured credit unions with CAMELS composite ratings of 4 or 5, or composite 3 ratings with assets greater than \$250M.	At least 97 percent of 2026 follow-up examinations for targeted FCUs started within policy.
	5	NCUA will maintain Share Insurance Fund losses for 2026 at or below the established reserve for losses.	SIF losses at or below 2026 reserve by 12/31/26.
1.3.1: Accelerate examiner use of enhanced data, analytic models, and artificial intelligence-based technology tools to improve the efficiency and effectiveness of risk identification, analysis, and decision-making.	6	NCUA will deploy an additional data-driven model that assesses one or more credit union risks to help prioritize supervision.	Deploy data-driven model to examiners by 12/31/26.
	7	NCUA will achieve key 2026 milestones in its near-term AI roadmap, including completing a large language model pilot program, establishing an AI Steering Committee, and refining its AI strategy.	Achieve by 12/31/26.

Strategic Goal 2: Enable access to cooperative financial services and responsible innovation.

2026 PERFORMANCE GOAL	#	2026 PERFORMANCE INDICATOR	2026 TARGET
2.1.1: Promulgate regulations and guidance about credit union adoption of financial technologies and other innovations.	8	NCUA will issue final regulations on permissible stablecoin activities for all federally insured credit unions.	Achieve by 12/31/26.
2.2.1: Engage with stakeholders to inform policy, regulatory development, and guidance to keep the agency's oversight approaches effective, risk-focused, and responsive to change.	9	NCUA will conduct regular public interactions to collect stakeholder input to inform policy and regulatory development and guidance.	Conduct at least four roundtables or other public forums by 12/31/26.
2.2.2: Enhance NCUA's participation in cross-agency initiatives with federal and state partners to identify and address emerging risks to the maximum extent possible.	10	NCUA will participate in at least three joint NCUA-State Supervisory Authority engagements to coordinate supervisory approaches and address emerging risks and trends affecting the credit union system.	Attend at least three meetings by 12/31/26.
	11	NCUA will represent credit union interests in priority interagency working group meetings with federal financial regulators to inform coordinated policy responses to emerging risks and trends affecting the financial system.	Achieve by 12/31/26.
2.2.3: Safeguard the long-term success of cooperative financial services by administering appropriated grants to support credit unions.	12	NCUA will award at least 95 percent of 2025 Congressionally appropriated grants while ensuring all awards are made in full accordance with Administration policies and priorities.	At least 95 percent of 2025 grants awarded by 12/31/2026 and in full accordance with policies.
2.3.1: Increase access to cooperative financial services, including in underserved markets.	13	NCUA will process at least 80 percent of Underserved Area, Multiple Common Bond, and Community Expansion Field of Membership requests within targeted timeframes.	Process at least 80 percent of FOM requests within processing time targets by 12/31/26.
2.3.2: Streamline credit union chartering through automation and process revisions.	14	NCUA will reduce and/or eliminate burdensome barriers for new charter applicants by revising processes and deploying automated application tools.	Deploy an automated system by 12/31/26 that has 50 percent fewer sections for new charter applicants' Phase I submissions.

Strategic Goal 3: Strengthen NCUA’s capabilities and performance.

2026 PERFORMANCE GOAL	#	2026 PERFORMANCE INDICATOR	2026 TARGET
3.1.1: Advance NCUA adoption of emerging technologies, including analytic and automation tools, to improve operational efficiency, data analysis, and decision-making.	15	NCUA will deploy the Analytics 2.0 Phase I upgrade to the MERIT examination system by Q1 2026 to enhance supervisory analyses and examination insights.	Deploy Analytics 2.0 Phase I (Financial Analytics) to MERIT by 3/31/26.
	16	NCUA will assess high-priority AI use cases against available AI models and incorporate recommendations into the agency's AI Implementation Strategy.	Achieve by 12/31/26.
3.1.2: Update enterprise information technology systems and data management to improve reliability, security, and performance.	17	NCUA will restructure and promulgate credit union datasets for enterprise analysis and reporting.	Administrative Actions datasets are restructured and available in the Data Reporting Solution (DRS) data mart by 12/31/26.
	18	NCUA will institute a single employee time-reporting system to eliminate duplicative administrative processes.	Institute a single time-reporting system by 12/31/26.
3.2.1: Refine the agency’s organizational structure by consolidating major business units, grouping similar roles and responsibilities, and eliminating non-statutory functions.	19	NCUA will finalize reorganization project plans and complete all 2026 reorganization milestones by year-end.	Achieve by 12/31/26.
3.2.2: Reinforce accountability by sustaining the agency’s risk-management and internal control environments.	20	NCUA will achieve an unmodified opinion on the agency’s financial statement audits.	Achieve by 3/31/26.
	21	NCUA will achieve an overall maturity rating of at least Level 4, Managed and Measurable, for the agency’s annual Federal Information Security Management Act (FISMA) information security program assessment.	FISMA Rating at or above Level 4 by 12/31/26.
3.3.1: Enhance the NCUA workforce through skills-driven, merit-based hiring that meets mission-critical needs.	22	NCUA will implement its 2026 Staffing Plan, aligned with the Merit Hiring Plan, to strengthen talent acquisition and ensure staff are effectively deployed to meet mission needs.	Achieve by 12/31/26.
3.3.2: Strengthen current employee skillsets through effective development programs aligned with statutorily required activities and mission-critical needs.	23	NCUA will identify and develop plans to address gaps in employee skillsets, including through enhanced field staff training, supervisor skills development, and technology and AI skills development.	Achieve by 12/31/26.



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