

Artificial Intelligence



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Artificial Intelligence

What is the first
thing that comes to
mind when you
hear “AI”?

Artificial Intelligence Definition

Executive Order 14179: Defines AI as a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. Includes:

- Machine Learning: Algorithms trained on data sets to perform human tasks (e.g., categorizing images, analyzing data, etc.)
- Generative AI: Inputs a variety of prompts to generate new content such as text, images, sounds, code, etc.
- Systems that are fully autonomous, partially autonomous, and not autonomous
- Systems that operate both with and without human oversight

Can Credit Unions Use AI?



- Many known and potential use cases
- Regulators encourage use of technology when done in a safe and sound manner
 - Compliance with existing regulations
 - Adherence to prudent risk management practices
 - Conducting third party due diligence

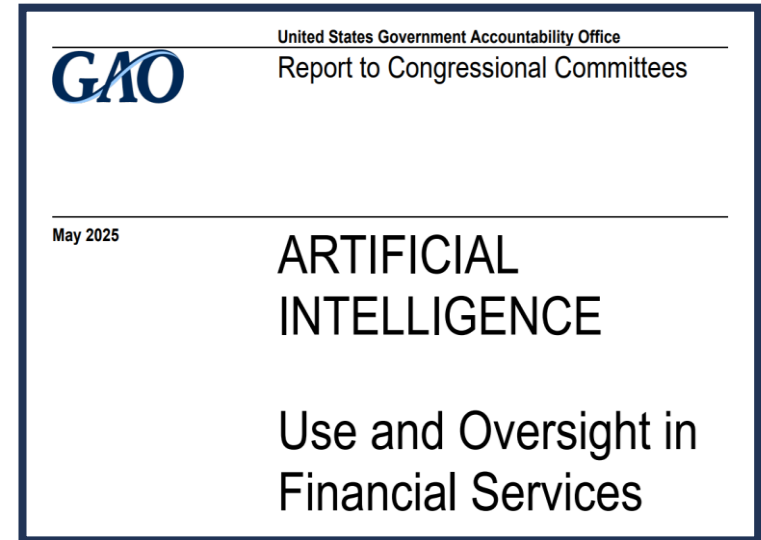
AI: Use and Oversight in Financial Services

- Report from Government Accountability Office (GAO) #25-107197 May 2025

- Indicates that lack of model risk management guidance may lead to inadequate oversight of credit unions' AI model use
- Recommendation for NCUA to update model risk management guidance

- Authoritative Guidance

- National Institute of Standards and Technology (NIST): AI Risk Management Framework
- Cybersecurity and Infrastructure Security Agency (CISA): AI Data Security Best Practices, Deploying AI Systems Securely, etc.



Examples of Credit Union Use Case Categories

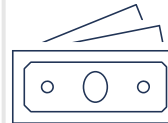


Potential Barriers to Credit Unions Using AI



Technology
Expertise

Implementation &
Maintenance Costs



Internal & External
Stakeholder Trust
or Perception

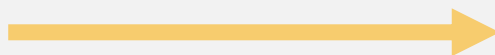
Legal and
Regulatory



What Can NCUA do to Help?

- How can NCUA provide more regulatory and supervisory clarity?
- What specific laws, regulations, or requirements may be preventing or dissuading credit union from using AI for specific use cases?

Submit Responses to AskNCUA

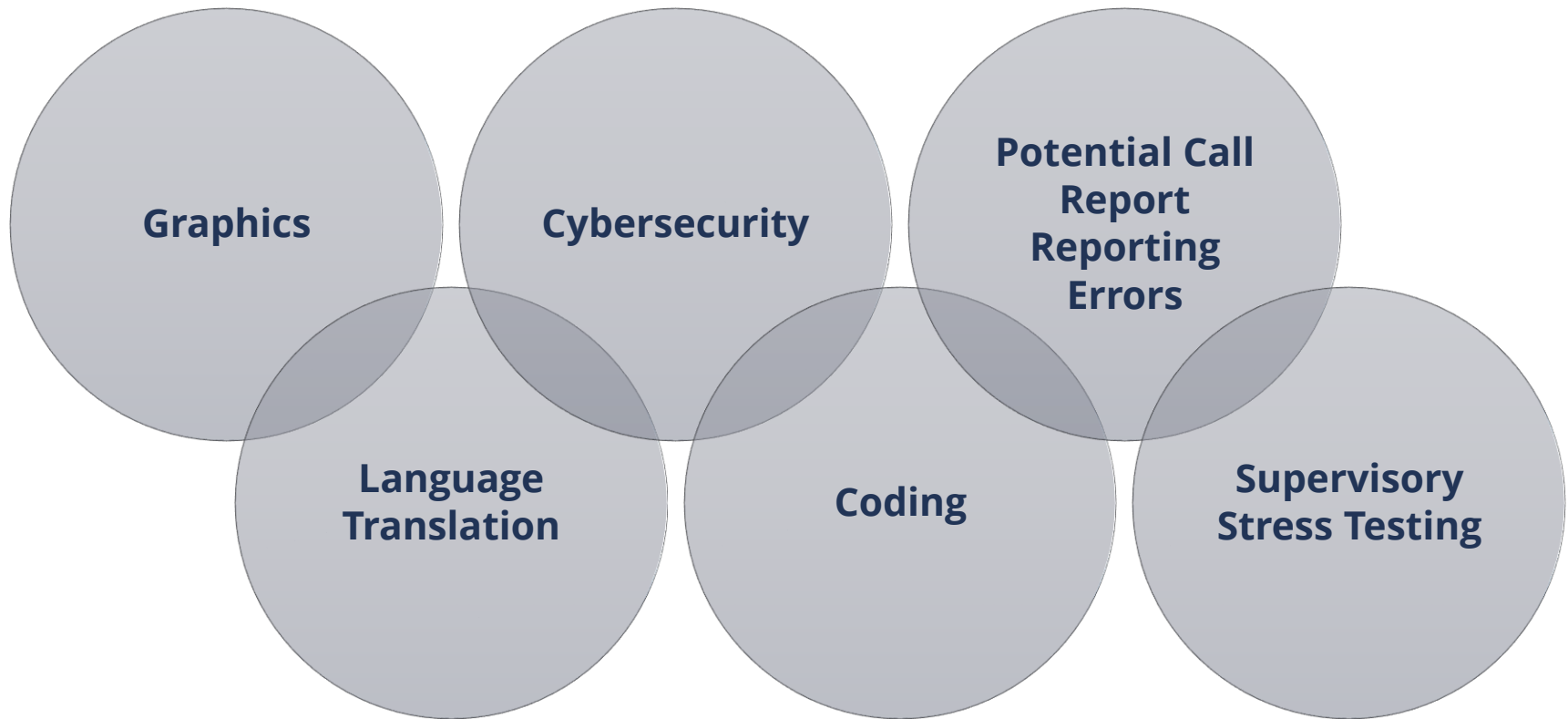


AskNCUA

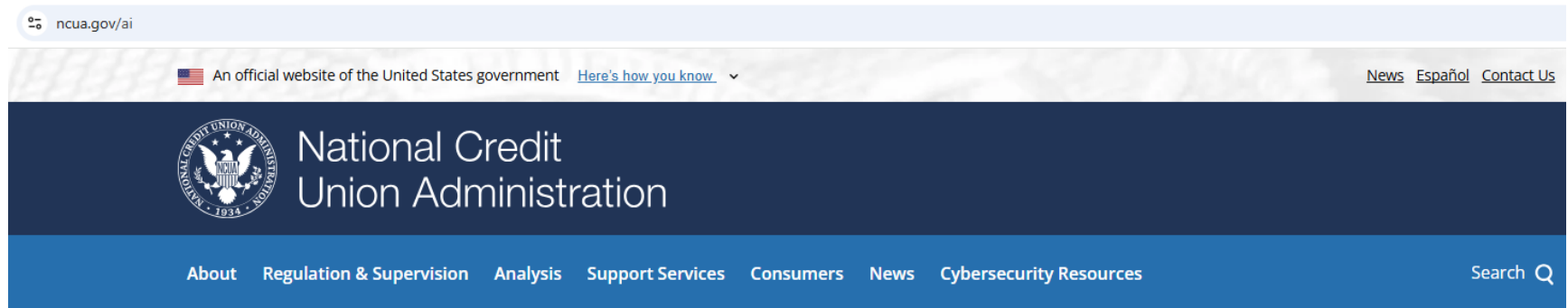
Submit questions, comments, or recommendations

<https://ask.ncua.gov>

NCUA AI Use Cases



www.ncua.gov/ai



 [Home](#)

Artificial Intelligence

The NCUA is committed to responsible Artificial Intelligence (AI) innovation and adoption in alignment with the [AI in Government Act of 2020](#) and Office of Management and Budget (OMB) Memorandum M-25-21.

The NCUA ensures AI initiatives are thoroughly reviewed for security, privacy, and technical considerations. The NCUA's AI Compliance Plan outlines the strategies and measures in place to oversee responsible AI implementation, provide a strong AI governance framework, and ensure transparency and accountability.

[NCUA AI Compliance Plan](#)

NCUA AI Use Case Inventory ([Excel](#) | [CSV](#))