

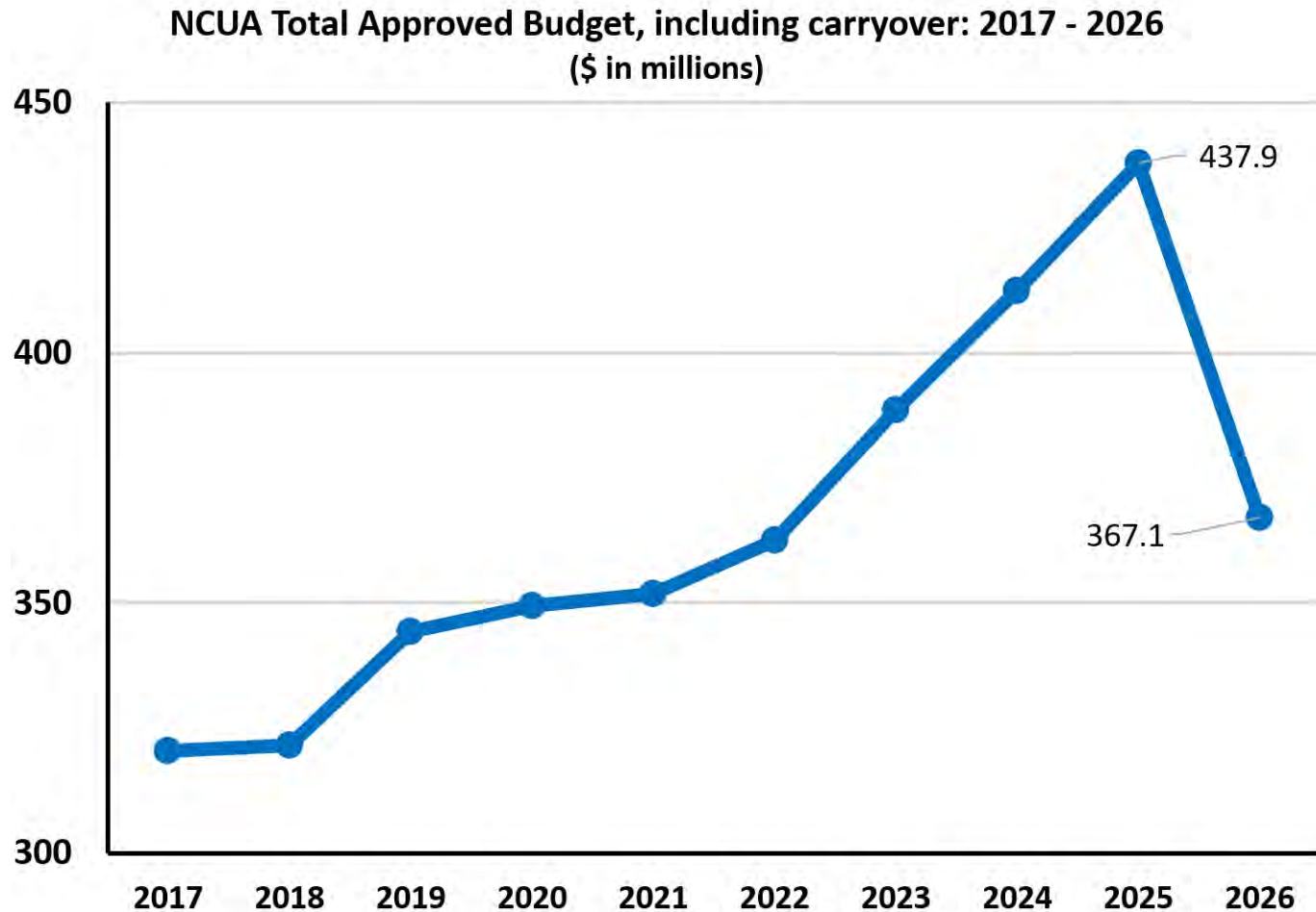
2026 Mid-Year Budget Update

June 24, 2026

Office of the Chief Financial Officer



2026 Budget Realignment & Savings



- 2026 total approved budget (incl. carryover) reflects a reduction of \$70.8M following several years of sustained growth.
- Voluntary separations and staffing reductions lowered planned payroll costs in 2026.
- Lower non-pay spending further supported the agency's budget realignment efforts.
- Operating fees decreased 24.7% generating estimated savings of approximately \$14,500 for the average federal credit union.

2026 Operating Budget Execution Update

- 2026 Board-approved Operating Budget is 20.2% lower than the 2025 Board-approved budget.
- Spending is 17.1% below the same period in 2025.
- Authorized positions decreased by 22.9%, from 1,255 in 2025 to 967 in 2026.
- Contract obligations are largely incurred in Q1, impacting year-over-year spending trends.
- Spending remains aligned with planned execution of the 2026 budget.

2026 OPERATING BUDGET SUMMARY						
(dollars in thousands)						
	Budget*			Jan-May Spending [†]		
	2025 Board- Approved	2026 Board- Approved	Year-on-Year Change	2025	2026	Year-on-Year Change
Operating Budget						
Employee Pay	217,502	164,456	-24.4%	85,010	65,247	-23.2%
Employee Benefits	94,280	76,047	-19.3%	37,291	30,474	-18.3%
Employee Pay & Benefits.....	311,782	240,503	-22.9%	122,302	95,720	-21.7%
Travel	23,253	20,134	-13.4%	6,919	5,862	-15.3%
Rent/Communications/Utilities	5,832	4,897	-16.0%	4,596	3,614	-21.4%
Administrative	5,106	3,809	-25.4%	1,228	1,397	13.7%
Contracted Services	76,554	67,665	-11.6%	53,207	49,443	-7.1%
Non-Pay & Benefits.....	110,745	96,505	-12.9%	65,951	60,316	-8.5%
Total, Operating Budget.....	422,527	337,008	-20.2%	188,253	156,036	-17.1%
<i>Authorized Positions[‡]</i>	<i>1,255</i>	<i>967</i>	<i>-22.9%</i>			

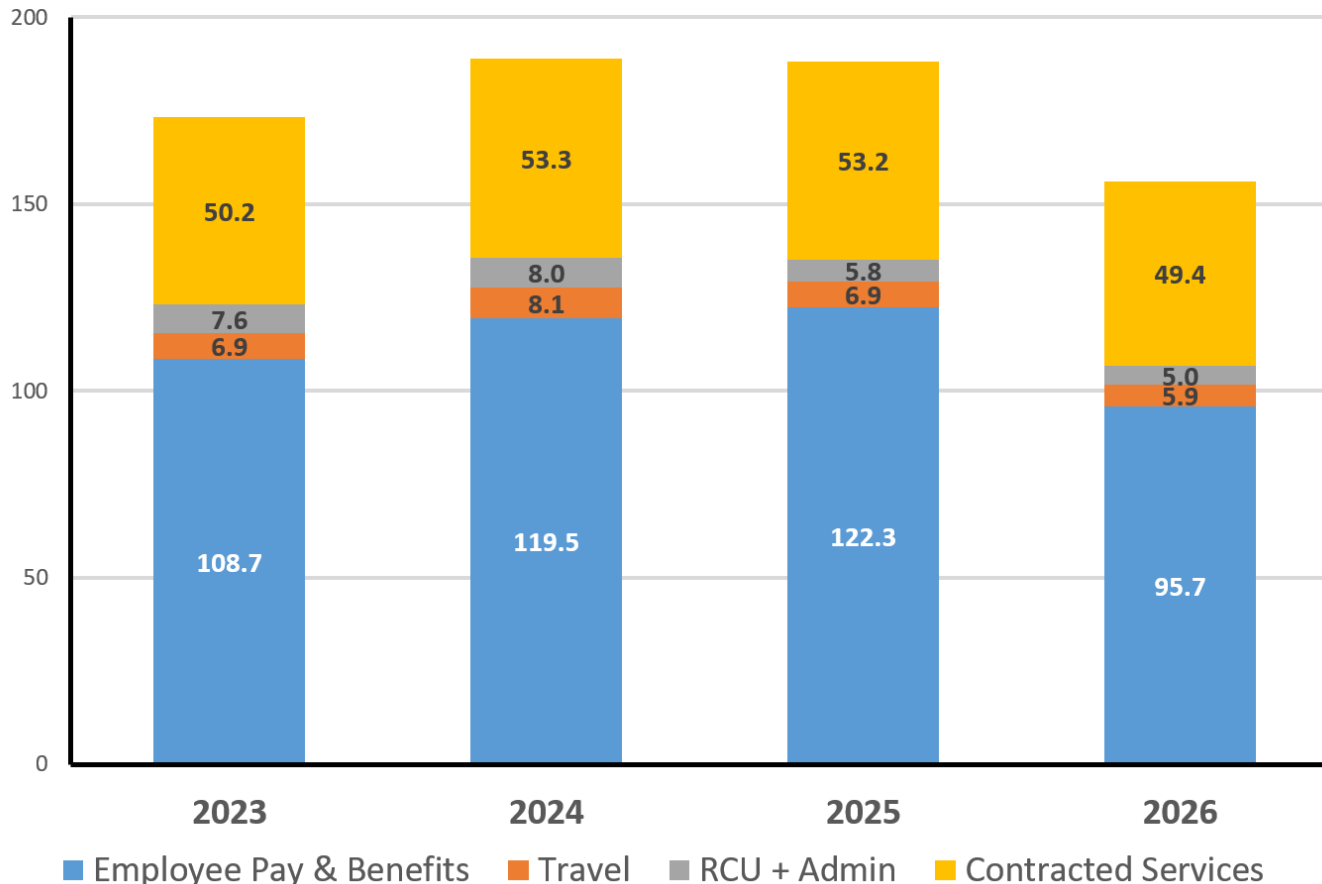
* 2025 and 2026 budgets include all carryover amounts approved by the NCUA Board. 2026 budget includes all reprogrammings approved as of 5/31/2026.

[†] Spending includes obligations and outlays through May 31 of each respective year.

[‡] Employees in 2025 authorized positions were paid through 12/31/2025, pursuant to terms of the Board-approved Voluntary Separation Program.

Spending Trends Through May

NCUA Spending[†] for January-May: 2023 - 2026
(dollars in millions)



- Through May 2026, total spending is below the same period in each of the prior three years.
- Spending reductions are evident across all major cost categories.
- Employee compensation remains the largest spending category and accounts for the greatest year-over-year reduction.
- Contracted services spending remains below 2025 levels despite obligations being largely incurred in Q1.
- Administrative and travel costs also remain below recent spending levels.

2026 Capital and SIF Admin. Expenses

- Through May 2026, capital spending totaled \$7.6M, representing 30.5% of the approved budget.
- Capital spending is expected to accelerate as procurements and implementation activities advance.
- Reorganization projects are being finalized, with obligations anticipated.
- SIF Administrative Expenses totaled \$3.5M through May, reflecting 70.3% of the approved budget.
- Capital and SIF spending remain aligned with approved 2026 plans.

2026 CAPITAL AND SIF ADMINISTRATIVE EXPENSES BUDGETS			
(dollars in thousands)			
	2026		
	Approved Budget*	Jan-May Spending [†]	Percent Spent
Capital Budget			
Examination and Supervision Solution/MERIT Enhancements	2,898	2,008	69.3%
IT Infrastructure, Platform and Security Refresh	940	150	16.0%
Enterprise Laptop Refresh	4,190	4,143	98.9%
OCFP Consumer Assistance Center - Customer Relationship Management System	1,000	986	98.6%
Central Office Maintenance and Repair	100	100	100.0%
Reorganization Capital Projects	16,000	275	1.7%
Total, Capital Budget.....	25,128	7,662	30.5%
Share Insurance Fund Administrative Expenses			
Share Insurance Fund Direct Expenses	4,946	3,461	70.0%
NCUA-Guaranteed Notes (NGN) Support	65	61	93.8%
Total, Share Insurance Fund Administrative Expenses.....	5,011	3,522	70.3%
* Budget amounts include all carryover budget amounts approved by the NCUA Board and all reprogrammings approved as of 5/31/2026.			
† Spending includes obligations and outlays through May 31.			

Thank You



Thank you for your attention.
We welcome your questions and feedback.

Melissa M. Lowden

Acting Chief Financial Officer

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