

# 2026 Supervisory Priorities Webinar

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February 19, 2026

Office of Examination and Insurance



[www.ncua.gov](http://www.ncua.gov)

# Agenda

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- Welcome**
- 2026 Supervisory Priorities**
- Examination Program Updates**
- Policy Changes & Deregulation**
- Q&A Session**
- Contact Information**

# Welcome & Introduction

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NCUA Chairman  
**Kyle S. Hauptman**



# Supervisory Priorities

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# Balance Sheet Management

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# Lending: Credit Risk Management

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- Credit risk management practices
- Sufficient underwriting standards for all loan types
- Sound modification and workout strategies for borrowers
- Effective loss mitigation programs and timely charge-off practices

# Lending: Credit Risk Management

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- Allowance for Credit Losses (ACL) reserve levels and the adequacy of methodologies
- Management of material credit risk concentrations
- Third party risk management practices for outsourced lending, servicing, or collections functions
- Credit union board of directors' oversight

# Sensitivity to Market and Liquidity Risks

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- Elevated funding costs
- Incomplete repricing from pandemic loans
- Increasing reliance on higher yielding assets
- Emphasis on diversified funding sources
- Heightened sensitivity to both up and down rate movements

# Earnings and Capital

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- Asset quality and allowance expenses are key pressures
- Higher capital levels and fewer unrealized losses
- Evaluating capital resiliency under a variety of scenarios
- Emphasize forward looking analysis aligned with size, complexity, and risk profile

# Operational Risk Management

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# Payment Systems

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## Key Risks:

- Increased operational and security risk exposures.
- Expanding vulnerabilities in payment systems.

# Payment Systems

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## **NCUA Examination Focus:**

- Governance and risk assessment frameworks.
- Vendor management and oversight.
- Security controls to protect member data.
- Resilience against fraud and cyber threats in payment ecosystems.

# Fraud Scams

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- Remain vigilant of increasing frauds and scams towards members and financial institutions
- Benefits of reporting incidents to the FBI's Internet Crimes Complaint Center
- Internal controls and governance to mitigate insider and external risks

# Insider Abuse

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- Risks and controls
- [NCUA's Fraud Prevention Resources Website](#)
  - Deter
  - Detect
  - Respond
  - Report

# Compliance Risk Management

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# BSA Compliance and AML/CFT Programs

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- Anti-Money Laundering (AML) Act of 2020
  - Continued implementation
  - Designed to modernize and strengthen the AML/CFT regime
- Significant developments and regulatory changes expected in 2026.
- Credit unions should stay informed to ensure their AML/CFT programs comply.

# Recent BSA-Related Issuances

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- CDD Rule Exemptive Relief Order (February 2026)
- FAQs Regarding SAR Reporting Requirements (October 2025)
- Customer Identification Program Exemption Order (June 2025)
- FinCEN Advisories

# 2026 BSA Regulatory and Exam Focus

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- The NCUA and other agencies are evaluating ways to:
  - Reduce BSA compliance burdens where possible
  - Help institutions maintain effective, risk-based AML/CFT programs
- NCUA's 2026 examination emphasis includes evaluating credit unions:
  - Risk-based approach to BSA compliance and tailored AML/CFT program
  - Whether resources are focused on the area(s) of greatest ML/TF risk
  - Effectiveness of policies, procedures, and controls in risk mitigation

# EXAMINATION PROGRAM UPDATES

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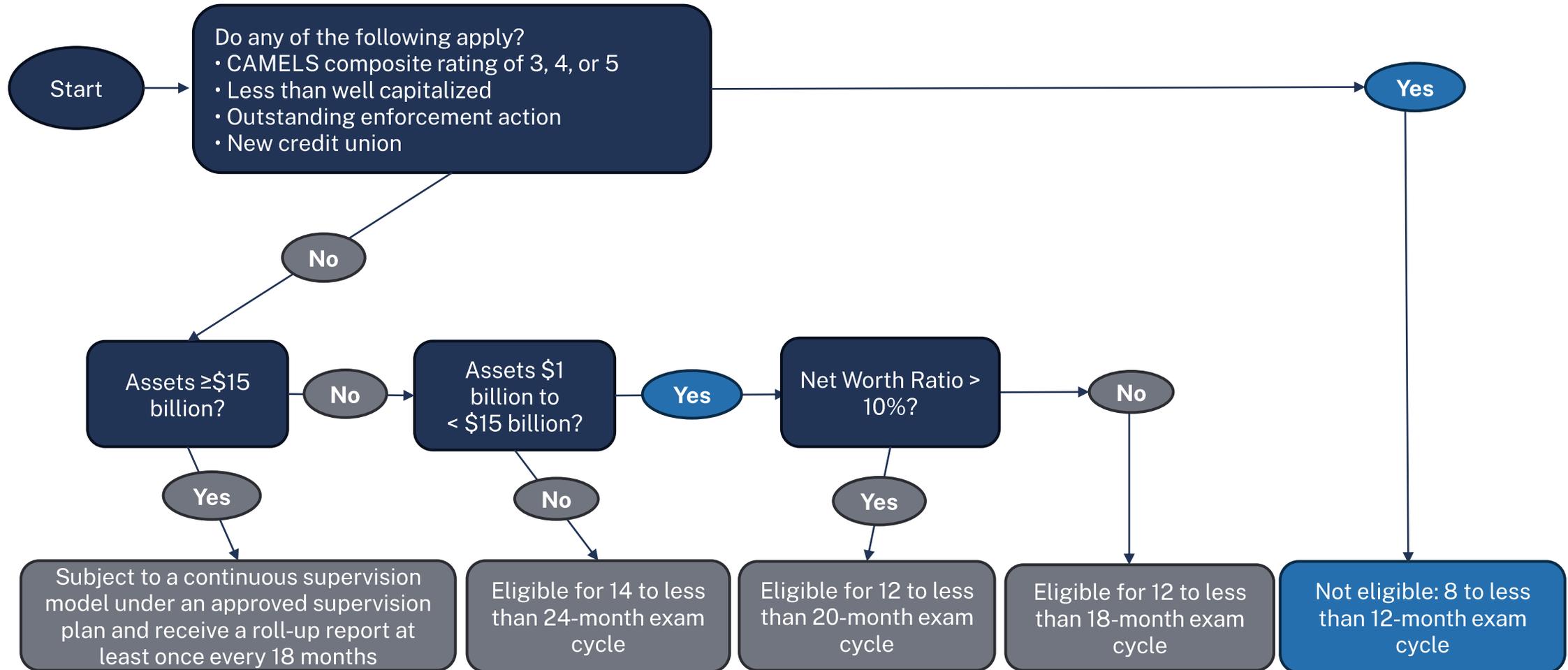


# Exam Flexibility Initiative Update

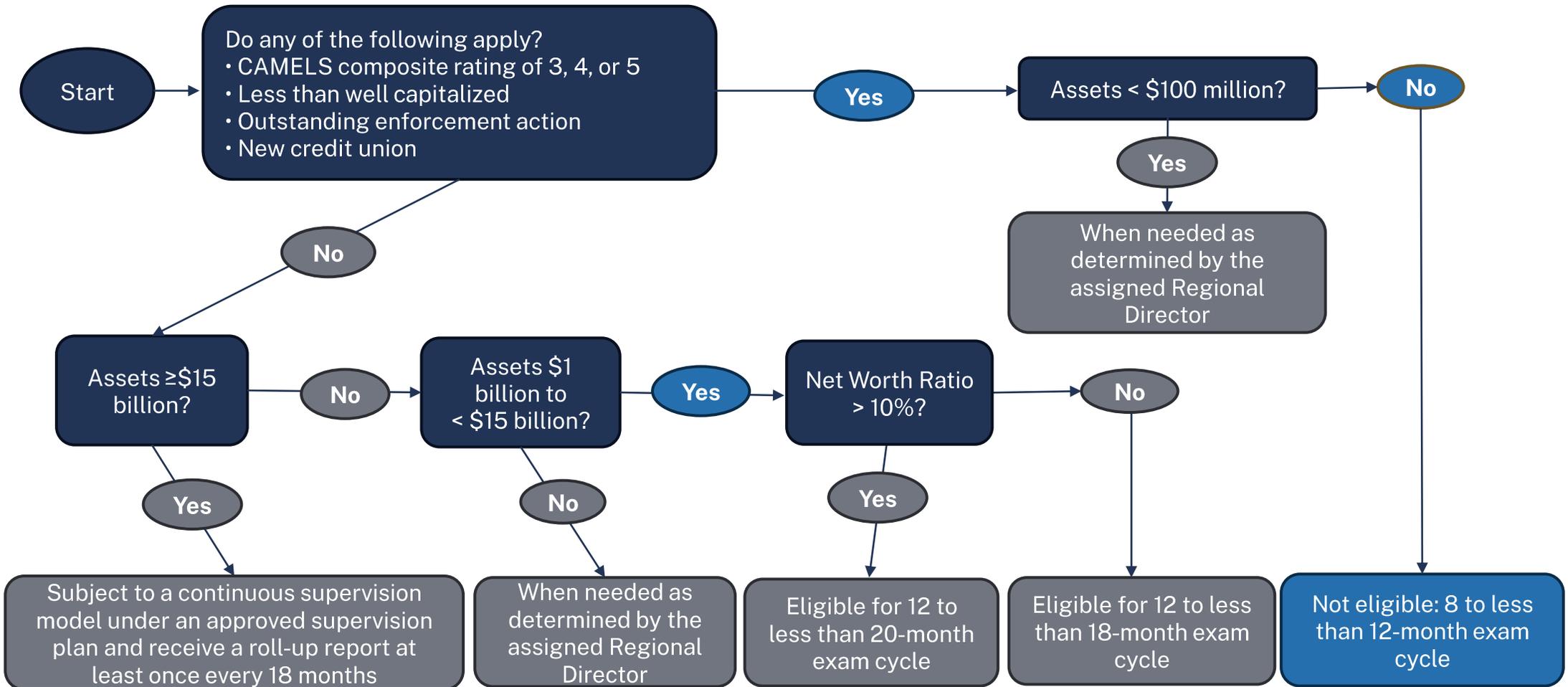
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**NCUA**

# Federal Credit Union Eligibility



# Federally Insured, State-Chartered Credit Union Eligibility



# Document Request Lists

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- Process improvements
- Tips for organizing requested documents
- Providing Documents through a Secure File Transfer Portal
  - See the [SFTP User Guide](#)
- [Tips on Starting an Exam Efficiently webpage](#)

# More Tips for a Smooth Exam

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- Request an entrance meeting to set expectations
- Maintain open communication throughout the process
- Address any concerns that arise with your examiner during the exam
- Work with your examiner on any proposed corrective actions

# POLICY CHANGES & DEREGULATION

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# Elimination of Reputation Risk & Risk Ratings

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# What's Changing?

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- Reputation risk removed from exams
- Guidance issued (*LTCU 25-CU-05*)
- References deleted from manuals, training, MERIT
- Risk ratings removed from templates and reports

# Impact

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- Greater clarity
- Focus on objective risk categories
- Streamlined examination process
- Less regulatory burden

# Regulation by Enforcement & Deregulation

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# Regulation by Enforcement

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- Regulation-by-enforcement is unethical and not permitted at NCUA
- Enforcement actions shall only occur in the case of clear and significant violations of law or regulation
- Enforcement actions are not a measure of agency success
- The agency's full statement is available at [ncua.gov](https://www.ncua.gov)

# Context

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## NCUA Strategic Plan

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2022 – 2026

# NCUA Mission

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**Enable access to financial services by facilitating safe, sound, and resilient credit unions.**

# Regulatory Review



## Code of Federal Regulations

A point in time eCFR system

▼ <b>Title 12</b> Banks and Banking	Part / Section
▼ <b>Chapter VII</b> National Credit Union Administration	700 – 799
▶ <b>Subchapter A</b> Regulations Affecting Credit Unions	700 – 761
▼ <b>Subchapter B</b> Regulations Affecting the Operations of the National Credit Union Administration	790 – 799
<b>Part 790</b> Description of NCUA; Requests for Agency Action	790.1 – 790.3
<b>Part 791</b> Rules of NCUA Board Procedure; Promulgation of NCUA Rules and Regulations; Public Observation of NCUA Board Meetings	791.1 – 791.21
<b>Part 792</b> Requests for Information Under the Freedom of Information Act and Privacy Act, and by Subpoena; Security Procedures for Classified Information	792.01 – 792.69
<b>Part 793</b> Tort Claims Against the Government	793.1 – 793.10
<b>Part 794</b> Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the National Credit Union Administration	794.101 – 794.999
<b>Part 796</b> Post-Employment Restrictions for Certain NCUA Examiners	796.1 – 796.6
<b>Part 797</b> Procedures for Debt Collection	797.1 – 797.25
<i>Parts 798-799 [Reserved]</i>	

# Deregulation

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## Obsolete

- These proposed changes allow credit unions to innovate and better serve members while remaining safe and sound.

## Overly Burdensome

- These proposed changes enable NCUA and credit unions to reallocate resources towards material risks or towards improving member service, enhancing access to financial services.

## Duplicative

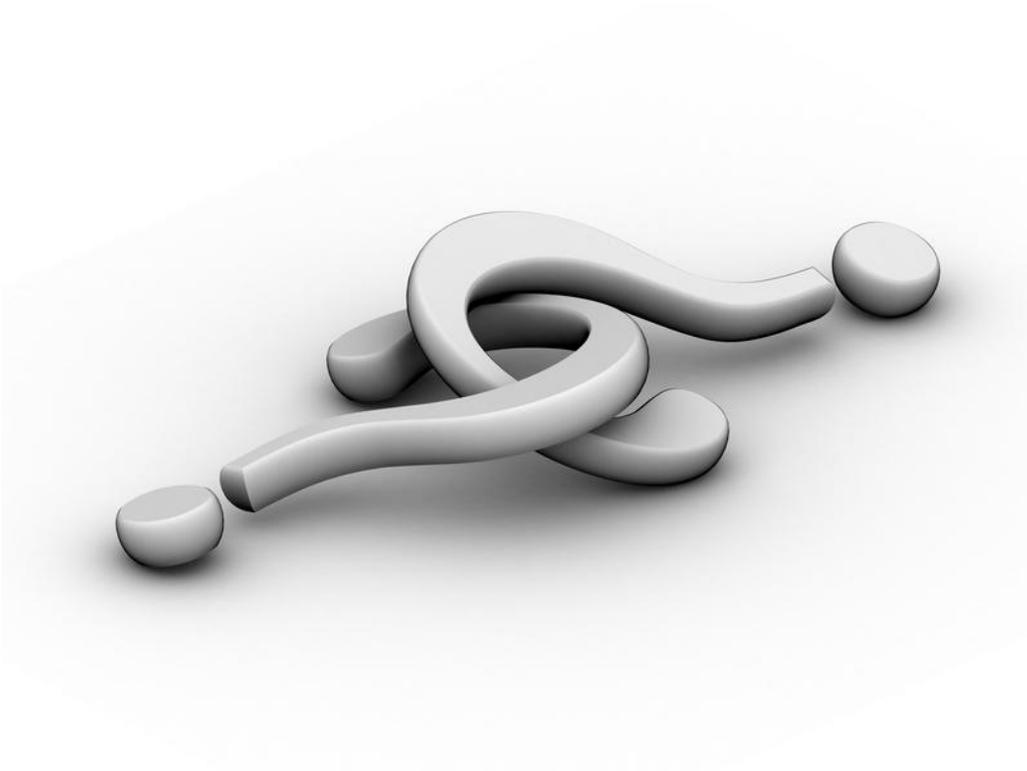
- These proposed changes will reduce confusion and improve compliance efficiency, which supports sound operations.

## Guidance

- These proposed changes promote fairness, transparency, and resilience in compliance expectations

# Questions

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# CONTACT INFORMATION

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