



April 21, 2022

NCUA Board Holds April 2022 Board Meeting

On Thursday, April 21 the NCUA Board of Directors held the fourth meeting of the year. For the second meeting in a row, the board did not issue a proposed rule or finalize any outstanding rules. However, on April 13, 2021, the board proposed an [interagency rule by notation](#) vote that if finalized would recognize electronic pleadings and communications through an update to the Uniform Rules of Practice and Procedure. The proposed change intends to increase the efficiency and fairness of administrative adjudications.

At Thursday's meeting, the board received two important system updates; one regarding cybersecurity, and the other regarding the agency's DEI Program

Cybersecurity Update

NCUA continues to caution that current geopolitical events increase the likelihood of imminent cyberattacks on financial institutions. NCUA Critical Infrastructure Division Director Ernie Chambers said during his update presentation that potential cyber retaliation by Russia remains a preeminent danger. In response to a question from board members, Chambers recognized that credit unions are in a continually evolving budget-constrained environment. He recommended that credit unions with limited resources and expertise, implement the NCUA's Automated Cybersecurity Evaluation Toolbox, ([ACET](#)), which guides users through a step-by-step process to collect facility-specific information addressing topics such as hardware, software, administrative policies, and user obligations. The ACET then compares that information to relevant security standards and regulations. The tool assesses overall compliance and provides appropriate recommendations for improving the organization's cybersecurity posture.

Chambers also provided an update on the NCUA's progress revitalizing the NCUA [Information Security Examination and Cybersecurity Program](#), currently going through field testing by both NCUA and some state supervisory authorities. The objectives of the program include:

- Evaluating management's ability to recognize, assess, monitor, and manage information systems and technology-related risks.
- Assessing whether the credit union has sufficient expertise to adequately plan, direct and manage information systems and technology operations.
- Determining whether the credit union's board has adopted and implemented adequate information systems and technology-related policies and procedures.
- Evaluating the adequacy of internal information systems and technology controls and oversight to safeguard member information.

The program is intended to improve examination flexibility for all asset sizes and complexity levels, while provisioning examiners with a standardized guide for data collection and analyses based on asset size. Learn more: [Cybersecurity Update](#)

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Diversity Equity, and Inclusion Program Update

An update on the NCUA's Diversity, Equity, and Inclusion Program was presented by Miguel Polanco, Director, Office of Minority and Women Inclusion.

During the briefing, Polanco highlighted that NCUA's commitment to Diversity, Equity, and Inclusion is a core value of the agency. He discussed internal and external steps the agency has taken to demonstrate that commitment.

In his first report to the board since taking the reins of the office, Polanco reported that the NCUA hosted its second Diversity, Equity, and Inclusion Summit, which attracted more than 800 participants throughout the credit union system. He also pointed out that the agency saw the number of credit unions submitting their Annual Voluntary Credit Union Diversity Self-Assessments increase by more than 25 percent.

In 2021, the agency identified and invited minority-and women-owned businesses to compete for NCUA contracts, including the largest projects. As a result of these efforts, 36.8 percent of the NCUA's awarded contract dollars in 2021 went to minority-and women-owned businesses, and these vendors received 39.4 percent of contract spending.

Internally, the agency is committed to a targeted barrier analysis to identify challenges in the hiring and retraining of female and Hispanic employees. The agency will also seek to increase the diversity of its executive and managerial ranks, refine the implementation of its employee resource group program, and advance the work of the NCUA's Culture, Diversity, and Inclusion Council.

Learn more: [NCUA Diversity, Equity, and Inclusion Program Update](#)

Following the presentation, the board discussed providing regulatory flexibility for Minority Depository Institutions, which the Northwest Credit Union Association has been encouraging the NCUA to do. We will continue to monitor developments in this area and keep member credit unions informed.

May Meeting

The next regularly scheduled meeting of the NCUA Board of Directors is Thursday, May 26, 2022. Your team at NWCUA will provide a same-day analysis.

Connecting with NCUA

Staying connected with state and federal regulators is a priority for NWCUA, so that we can collaborate with you to advocate for the operating environment that helps you best serve your members. Our voices will be even more influential now that the proposed merger of the Mountain West Credit Union Association and the Northwest Credit Union Association has been approved by member credit unions to take effect July 1.

Together, we are hosting a joint, Spring Hike the Hill in Washington, D.C., June 7-9. During this time, a delegation of Northwest and Mountain West credit union leaders will join NWCUA and MWCUA in meetings with key federal elected officials and with the NCUA.

Please reach out to me directly if you are interested in attending or have concerns or opportunities you would like for us to discuss with lawmakers and regulators.

John Trull

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