

NCUA's September 19, 2024, board meeting began with Chairman Todd Harper congratulating Board Member Tanya Otsuka, who was absent due to the recent birth of her daughter.

Chairman Harper and Vice Chair Kyle Hauptmann also highlighted that changes to the Call Report and Credit Union Profile are currently open for public comment in their opening remarks. The announcement of proposed changes to the Call Report marks a shift in the agency's process, which GoWest Credit Union Association advocated for after data fields for fee information were added without industry feedback. We have reviewed the proposed changes to the CU profile and had discussions with credit unions and identified no concerns. The Call Report changes were published this week and we will be reviewing and engaging credit unions to determine what if any concerns they might have with the proposed changes.

Mid-Session Budget Review

The first substantive agenda item was a mid-session budget update, which revealed that the budget is tracking slightly below the approved 2024 budget. Of note, the Share Insurance Fund (SIF) is currently 40 basis points above what the NCUA projected, sitting at 1.28%. Chief Financial Officer Eugene Schied indicated that he anticipates the SIF will remain at 1.28% through the end of the year. GoWest projects the equity ratio could rise above 1.31% by the end of the year, due to lower share growth and higher-than-expected yields on SIF investments as low-yield investments roll off and are reinvested in higher-yield options. Meanwhile, the number of CAMEL 4/5 credit unions continues to grow, now representing nearly 1% of insured shares, while CAMEL 3 credit unions represent 9% of insured shares.

Link to: [Mid-Session Budget Briefing](#)

Simplification of Share Insurance Rules

Following the budget update, the NCUA discussed changes aimed at simplifying the treatment of trust accounts along with other important changes. Since 2019, the NCUA has fielded over 8,500 questions on trust accounts. The final rule clarifies that trusts will be insured up to \$250,000 per beneficiary, with a maximum insurance coverage of \$1.25 million for up to five beneficiaries, regardless of whether the trust is irrevocable or revocable. These changes are expected to provide regulatory relief and enhance credit unions' ability to serve their members. The rule will take effect on December 1, 2026, giving credit unions ample time to restructure trust accounts as needed.

The rule also includes changes to record-keeping requirements, which will provide credit unions clarity and the ability to place and accept reciprocal deposits at other credit unions. Over time it has become apparent that the record-keeping provisions do not clearly address all situations and may be especially unclear as to accounts maintained by an agent, custodian, fiduciary, or other party on behalf of a member or beneficial owner eligible to maintain an insured account at a federally insured credit union. This seemingly minor change has been a top priority for GoWest as it will potentially result in additional liquidity in the credit union system with fewer reciprocal deposits being placed at banks. We appreciate the GoWest credit union advocates who first brought this issue to our attention, and to the NCUA, a little over two years ago. This section of the rule will take effect 30 days following the publication in the Federal Register.

Link to: [Simplification of Share Insurance Rules](#)

Fair Hiring in Banking

The final agenda item is a final rule codifying that minor offenses will no longer prohibit individuals from working at credit unions, in alignment with recent statutory changes. This rule also incorporates a previous interpretive letter, which will be rescinded upon the rule's finalization and incorporated by rule and guidance.

Link to: [Fair Hiring in Banking](#)

The next regularly scheduled meeting of the NCUA Board of Directors is scheduled for October 24, 2024.

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