

At today's NCUA Board Meeting, the Board received updates on Cybersecurity, New Charters, and Field of Membership process improvements. Board member Otsuka was back participating remotely, following the birth of her daughter last month.

Cybersecurity Update: The NCUA discussed the evolution of hacking, noting that while nation-states have historically led in advanced hacking capabilities, organized crime groups have made significant advancements, operating hacking operations like businesses. Hackers are focusing on four main areas: third-party exploitation, web applications, social engineering, and ransomware. These areas offer high returns on investment, with third-party exploitation being the fastest growing and most profitable. Hackers target third-party vendors that serve multiple companies, especially those working with large asset holders like financial institutions, as these vendors often have lower security standards. Ransomware also yields high returns but requires sophisticated expertise, often led by nation-states and organized crime. Social engineering and web application attacks are easier for individual actors, especially with AI advancements simplifying the ability to launch these attacks.

The NCUA reported 1,072 cyber incidents affecting credit unions this year, with 742 involving third-party vendors. To improve response, the NCUA announced a new cyber incident reporting web form. Chairman Harper emphasized the seriousness of cyber threats, inviting credit union leagues and associations to collaborate on educating members. He reiterated his call for NCUA authority over third-party vendors and mentioned the potential need to raise the Normal Operating Level (NOL) of the Share Insurance Fund (SIF) to manage cyber risks. Harper's comment came despite the SIF's low losses and the likelihood that the SIF equity ratio may exceed the 1.33 NOL within the next year, potentially triggering a rebate to credit unions. GoWest would oppose raising the NOL, citing a lack of justification.

Link to - [Cybersecurity Update](#)

New Charters and Field of Membership Update: Martha Ninichuk, Director of Credit Union Resources and Expansion (CURE), provided an update on the new charter process and Field of Membership (FOM) improvements. This year, the NCUA has chartered three new credit unions, including two provisional charters, with a fourth expected by year-end. The agency received 14 applications, with three under review, one denied, six deferred, and one withdrawn.

On the FOM front, CURE has made enhancements to the CAPRIS system, including the ability to add occupational and associational groups of any size, a status tracker, and planned improvements for community conversion and underserved applications, targeting a Q1 2025 rollout. The NCUA has processed 7,707 membership actions this year, with 7,271 being multiple common bond expansions through the CAPRIS internet-based system.

The Board strongly encouraged CURE to continue to strengthen the chartering process and reduce the review time.

Link to - [Board Briefing New Charter and Field of Membership](#)

The meeting concluded with remarks from the Chairman recognizing International Credit Union Day and the 90th anniversary of the Credit Union Charter.

The next regularly scheduled meeting of the NCUA Board of Directors is scheduled for December 17, 2024.

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