

NCUA November Board Meeting Analysis

This morning, the National Credit Union Administration (NCUA) Board convened its November meeting, led by Chairman Todd Harper. This meeting marks one of the final sessions under Chairman Harper's leadership, as the incoming Trump Administration is expected to appoint a new NCUA Chair in early 2025. Such a transition signals likely changes in regulatory priorities.

The November meeting focused on two critical topics:

1. Board Briefing, Share Insurance Fund (SIF) Quarterly Report
2. Central Liquidity Facility (CLF) Budget Approval

Share Insurance Fund Performance Highlights (Q3 2024)

The NCUA's Chief Financial Officer presented the SIF's performance metrics for the third quarter of 2024, focusing on the fund's current stability and areas of potential concern.

Net Income: The fund reported a net income of \$72.2 million and total income of \$145.8 million.

Income Growth: A 4% increase from the second quarter and a 29% rise compared to Q3 2023.

Assets & Reserves: Total assets reached \$22.6 billion, while the reserve balance grew by \$19.8 million.

Although there were no credit union failures in Q3, two failures earlier in the year resulted in losses.

SIF remains capable of withstanding up to \$1.4 billion in losses. However, the Board expressed concerns about potential risks due to external economic stressors, such as rising interest rates, and the potential impact on credit union stability. As Board Member Tanya Otsuka noted:

"While there are many signs that show stability and growth of the Share Insurance Fund, now is the time to think about what can go wrong and how to safeguard against those scenarios, especially as we enter a period of changing interest rates. It's also important for us, as the Board, to continue to keep close eyes on stressors to ensure credit union members are protected—because that is what it's all about."

Although no changes to the Normal Operating Level (NOL) were recommended at this time, the Chief Financial Officer announced plans for a public notice in 2025 to solicit feedback on potential adjustments to the NOL methodology.

[Share Insurance Fund Board Briefing](#)

Central Liquidity Facility Budget

The NCUA Board approved the CLF's 2025-2026 budget, highlighting its role as a crucial liquidity backstop for credit unions amid rising interest rates and liquidity challenges.

The budget projects income of \$36.8 million for 2025, with operating expenses of \$2.3 million, reflecting a slight increase in staffing and operational services. The CLF will focus on enhancing liquidity support, improving operational efficiencies, and expanding outreach to stakeholders. Planned initiatives include offering liquidity advances and leveraging business intelligence tools.

The table below outlines the YTD and projected estimates for income, operational expenses, retained earnings, and member distributions for 2024 and 2025:

(in Millions)	YTD Q3 2024	Projected 2024	Projected 2025
Income	\$34.5	\$44.9	\$36.8
Operating Expenses	-1.6	-2.1	-2.3
Dividends & Interest	-30.0	-38.9	-31.0
Increase in retained Earnings	\$2.9	\$3.9	\$3.9
Cumulative Retained Earnings	\$44.0	\$45.0	\$48.5

Projections for 2024 and 2025 investment income are based on curves accounting for anticipated declines in short-term rates. The decrease in projected income for 2025 is due to market conditions, which the CLF team noted could fluctuate. Furthermore, the level of dividend distributions will be influenced by the performance of the investment portfolio.

The CLF plans to increase retained earnings by \$3.5 million in 2025, driven by growth in membership and borrowing authority. This increase will bolster reserves to absorb unexpected costs or losses and help fund ongoing operations.

[CLF Budget Board Briefing](#)

What's Next for the NCUA

Looking ahead, the NCUA will hold a 2025-2026 Budget Hearing tomorrow, November 22nd, at 7:00 a.m. PT/8:00 a.m. MT. John Trull, GoWest's Vice President of Regulatory Advocacy will testify. The meeting will be livestreamed on [NCUA.gov](https://www.ncua.gov) and we encourage you to watch.

Additionally, the next NCUA Board Meeting will be held next month on Tuesday, December 17th at 7:00 a.m. PST/8:00 a.m. MT. At this meeting the board will finalize and approve the NCUA's 2025-2026 Budget.

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