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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 700, 701, 702, 708a, 708b, 750, and 790

RIN 3133-AF41

Asset Threshold for Determining the Appropriate Supervisory Office

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule.

SUMMARY: The NCUA Board (Board) is amending its regulations to revise the $10 billion asset threshold used for assigning supervision of consumer federally insured credit unions (FICUs) to the Office of National Examinations and Supervision (ONES). The rule only applies to FICUs whose assets are $10 billion or more (covered credit unions). The rule provides that covered credit unions with less than $15 billion in total assets (tier I credit unions) will be supervised by the appropriate NCUA Regional Office. Covered credit unions with $15 billion or more in total assets (tier II and tier III credit unions) continue to be supervised by ONES. The rule does not alter any regulatory requirements for covered credit unions.

DATES: The final rule is effective January 1, 2023.

FOR FURTHER INFORMATION CONTACT: Dale Klein, Senior Financial Analyst, and Christopher DiBenedetto, Financial Analysts, Office of National Examinations and Supervision; or Rachel Ackmann, Senior Staff Attorney, Office of General Counsel, 1775 Duke Street, Alexandria, VA 22314-3428. Dale Klein can also be reached at (703) 518-6629, Christopher DiBenedetto can be reached at (703) 518-6628, and Rachel Ackmann can be reached at (703) 548-2601.

SUPPLEMENTARY INFORMATION:

I. Background

Part 702 Capital Planning and Stress Testing Requirements

Part 702, subpart C, of the NCUA's regulations (part 702) implements the NCUA's capital planning and stress testing requirements for consumer FICUs.[1] As discussed previously, a consumer FICU is defined as a covered credit union if it has $10 billion or more in total assets.[2] Covered credit unions are then further divided into the following three asset tiers:

- A tier I credit union is a covered credit union that has less than $15 billion in total assets;
- A tier II credit union is a covered credit union that has $15 billion or more in total assets, but less than $20 billion in total assets, or is otherwise designated as a tier II credit union by the NCUA; and
- A tier III credit union is a covered credit union that has $20 billion or more in total assets, or is otherwise designated as a tier III credit union by the NCUA.

Incremental levels of regulatory requirements are based on the three tiers. For example, only tier II and tier III credit unions are subject to stress testing requirements.

Agency Structure

In 2012, the NCUA established the Office of National Examinations and Supervision (ONES), and reorganized its central and field office structure. As part of its internal restructuring, the NCUA transferred the responsibility for supervising covered credit unions to ONES from the Regional Offices.[3] Initially, covered credit unions were transferred to ONES on January 1, 2014. Annually thereafter, FICUs newly reporting assets of $10 billion or more on March 31 of a given calendar year are reassigned to ONES on the first day of the following calendar year.

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[1] 12 CFR 702.301. The term *consumer* FICU is being used instead of the term *natural person* FICU. This terminology is being used for clarity; however, the term *natural person* FICU will continue to be used for the accompanying regulatory text changes for consistency with other sections of the NCUA's regulations.

[2] 12 CFR 702.302.

[3] In general, Regional Office means the office of NCUA located in the designated geographical areas in which the office of the FICU is located.

COVID-19 Pandemic

Many FICUs have experienced significant balance sheet growth as a result of the COVID-19 pandemic and the corresponding policy response.[4] For example, FICUs nearing the $10 billion asset threshold incurred balance sheet growth of about 14 percent on average during the COVID-19 pandemic, and in one case more than 34 percent. In contrast, similarly sized FICUs had an average asset growth rate of only nine percent in 2019.

In March 2021, the Board temporarily modified its rules for FICUs meeting certain asset thresholds through an interim final rule (Asset Threshold IFR).[5] The Asset Threshold IFR permitted FICUs to continue to use financial data as of March 31, 2020, to determine the applicability of certain regulations for calendar years 2021 and 2022, instead of assets reported as of March 31, 2021. The Asset Threshold IFR also made a conforming amendment to the measurement date for determining ONES supervision. Under the Asset Threshold IFR, the NCUA used financial data as of March 31, 2020, instead of March 31, 2021, to determine the appropriate supervisory office of FICUs for calendar year 2022. As a result, no FICU was transitioned to ONES supervision for calendar year 2022, even if the FICU had $10 billion or more in total assets as of March 31, 2021.

The next effective measurement period to determine whether a FICU is subject to capital planning and stress testing requirements and ONES supervision was March 31, 2022. Eight new FICUs met or exceeded the $10 billion threshold as of March 31, 2022, and will become subject to ONES supervision beginning January 1, 2023, unless the threshold is changed.

II. The Proposed Rule

On February 17, 2022, the Board published a proposed rule that reconsidered its policy of assigning all covered credit unions to ONES supervision.[6] The Board received five comments

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[4] *See generally*, 86 FR 15397 (Mar. 23, 2021).

[5] *Id*.

[6] 87 FR 11996 (Mar. 3, 2022).

on the proposed rule. Comments were received from a credit union, a credit union league, two trade associations, and an association of state credit union supervisors. All of the commenters were generally supportive of increasing the threshold used for determining whether a covered credit union will be subject to ONES supervision, and some commenters reiterated the rationale for the change discussed in the proposed rule. All commenters, however, raised additional considerations for the Board, and some commenters recommended specific changes to the proposed rule. The comments are discussed in detail in the next section.

III. The Final Rule

The Board has reconsidered its policy of assigning all covered credit unions to ONES supervision and is adopting the proposed rule as final. Under the final rule, tier II and tier III credit unions remain subject to ONES supervision. The Board, however, will not assign tier I credit unions to ONES supervision.[7] Tier I credit unions will remain subject to Regional Office supervision until they become tier II credit unions.

As discussed in the proposed rule, the Board has reconsidered its position that all covered credit unions should transition to ONES for two reasons. First, the agency can more effectively manage its resources by continuing to supervise most tier I credit unions through the Regional Offices. Second, the Board has reconsidered the level of risk to the National Credit Union Share Insurance Fund (NCUSIF) posed by tier I credit unions. To implement the change, the rule creates a new definition of "ONES credit union" to distinguish between covered credit unions

[7] As discussed in the *Reservation of Authority* section, the Board has the option of using its existing reservation of authority in part 702 to designate a FICU as subject to ONES or Regional Office supervision, or a tier I, II, or III credit union.

subject to ONES supervision and covered credit unions subject to Regional Office supervision.[8] The term ONES credit union is defined as all tier II and tier III credit unions.

One commenter recommended increasing the threshold for ONES supervision from $15 billion, as proposed, to $20 billion to better reflect growth of insured shares. The commenter stated that a $20 billion threshold would better align the scope of ONES supervision with the risk of the industry's largest credit unions. As support, the commenter stated that both the insured share base and the NCUSIF have increased by 95 percent since 2013, so a $10 billion FICU in 2013 would pose the same risk to the NCUSIF as a $20 billion FICU would today. This commenter further requested that if the Board does not increase the threshold for ONES supervision from the proposed $15 billion, the NCUA should include a more complete description of the agency's risk assumptions, including a description of whether the historical loss rate has changed significantly over time, in the final rule. The commenter stated the current thresholds are conservative and requested additional support for the thresholds.

The Board has not made changes to the final rule in response to this comment. The Board does not believe that tier II credit unions, which conduct credit union-run supervisory stress tests, should be supervised by the Regional Offices, regardless of the growth of insured assets or the NCUSIF. The Board continues to believe that ONES is the more appropriate office to supervise credit unions that are subject to credit union-run stress testing requirements due to the resources and specialization required to oversee supervisory stress tests.

In addition to increasing the threshold for ONES supervision, two commenters requested that the Board raise the asset-based thresholds in part 702 related to the substantive requirements. One commenter suggested increasing the range for all three asset tiers by $5 billion. Another

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[8] In the proposed rule, the definition of "ONES credit union" was added to part 702. One commenter recommended a technical change to include the proposed definition of "ONES credit union" in § 700.2 instead of part 702. The Board agrees with this recommendation and has moved the defined term "ONES credit union" to part 700 instead of part 702. This change does not alter the substance of the provision.

commenter noted that credit unions are subject to stress testing at a smaller size than banks and stated that if the tier I threshold is increased to $20 billion, then the other thresholds should increase as well.

The Board has not made any changes to the final rule in response to these comments. First, as discussed in a previous rulemaking, the Board does not consider the risks that banks pose to the Deposit Insurance Fund as analogous to the risks that covered credit unions pose to the NCUSIF, and therefore, does not believe that at this time the size thresholds for banks are an appropriate analogy for size thresholds for covered credit unions.[9] Second, the Board believes that size is one of the primary indicators of systemic risk to the NCUSIF. Given the change in relative risk of tier I credit unions to the NCUSIF and the NCUA's advancement of large credit union supervisory tools, the Board does not believe that Regional Office supervision of tier I credit unions results in undue risk to the NCUSIF. However, the Board believes the absolute risk of a tier I credit union remains a material exposure to the NCUSIF and increasing the tier I asset threshold for the regulatory requirements would unduly increase the NCUSIF's contributed capital at risk. For example, the NCUSIF's capital at risk to a tier I credit union is estimated at roughly 20 percent of the NCUSIF's contributed capital. Therefore, the Board continues to believe that covered credit unions with $10 billion or more in total assets represent sufficient risk to the NCUSIF such that capital planning and stress testing requirements are warranted.

Under the proposed rule, tier I credit unions that were supervised by ONES were grandfathered and remained subject to ONES supervision. Two commenters expressly agreed with grandfathering tier I credit unions currently subject to ONES supervision. In response to a specific question in the preamble, one of these commenters requested a technical change to the final rule to clarify that tier I credit unions that are not grandfathered are excluded from the definition of "ONES credit union." Another commenter did not support grandfathering all tier I

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[9] 83 FR 17901 (Apr. 25, 2018).

credit unions and, instead, recommended that tier I credit unions currently supervised by ONES have the option of either remaining under ONES supervision or being transferred to the appropriate Regional Offices.

The Board is finalizing the rule without the grandfather clause for tier I credit unions already supervised by ONES, as this provision has become unnecessary. All credit unions currently supervised by ONES have reported assets of $15 billion or more as of March 31, 2022. Accordingly, all credit unions assigned to ONES will be categorized as tier II or tier III effective January 1, 2023, and remain with ONES under this final rule.[10]

Under the final rule, all covered credit unions remain subject to enhanced capital planning and stress testing data collections.[11] One commenter provided comments about subjecting all covered credit unions to the enhanced data collection. First, the commenter recommended limiting the number of specialized data collections applicable to tier I credit unions. The commenter expressed concerns about the usefulness of the data if the Regional Offices would not be using it to perform specialized examinations. The commenter also was concerned about the Regional Offices' ability to manage and contextualize the data collected. Second, the commenter requested that the NCUA clarify that ONES will be managing the data collection process for all tier I credit unions and that ONES will be the point of contact for resolving any data collection issues. The commenter was concerned with ONES acting as the aggregator of all data collections due to the resource limitations discussed in the proposed rule.

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[10] The effective date of the final rule is January 1, 2023. This date aligns with part 702 as a credit union that crosses the asset threshold as of March 31 of a given calendar year is not subject to the applicable requirements of part 702 until the following calendar year. Here, credit unions that crossed any asset tier threshold on March 31, 2022, would not be subject to any newly applicable requirements of part 702 until January 1, 2023.

[11] 12 CFR 702.306(d). The Board notes that the final rule includes a clarifying edit related to 12 CFR 702.306(d) to clarify that the data collection applies to all covered credit unions, which reflects current NCUA practice. *See also*, 12 U.S.C. 1756 and 1784; and 12 CFR 741.1.

Data collection is part of the NCUA's strategic initiative to enhance supervision and is used to inform qualitative and quantitative assessments of covered credit unions. The Board does not believe the data collection presents an undue burden to covered credit unions as the data is the type of information the Board expects covered credit unions to be analyzing and considering on their own regardless of whether the NCUA collects the information. In regard to the commenter's concern on the continued use of the data, ONES will share the analysis and reporting with Regional Offices, and the data will continue to be used by the agency to assess a covered credit union's capital adequacy through review of its capital plan. Additionally, the ongoing coordination between ONES and Regional Offices has included discussions on the analysis and use of collected data to inform the supervisory process. The Board also notes that the collected data can drive supervisory efficiencies for covered credit unions that may reduce regulatory burden, as the data provides insight for offsite supervision and enables timely risk identification and mitigation. For example, the data may lead to more targeted supervisory work resulting in less time on-site at covered credit unions.

Finally, the Board confirms that ONES will be managing the data collection process for all tier I credit unions and that ONES will be the point of contact for resolving any data collection issues, in collaboration with the assigned Regional Office. The Board believes that ONES has sufficient resources to manage the data collection process for all covered credit unions, including those that will be supervised by the Regional Offices. Therefore, the final rule has not amended the current data collection requirements.

A few commenters also raised general concerns about coordination between regional and ONES examiners and training regional examiners to oversee tier I credit unions' capital plans. One commenter encouraged ONES to periodically assess the consistency of capital planning supervision conducted by Regional Offices to ensure capital planning practices are aligned with ONES' expectations. The commenter was concerned about the potential for covered credit unions to be confronted with different standards when they advance to ONES supervision.

Another commenter expressed concern about risk to the NCUSIF and urged the Board to closely monitor for any unintended consequences of the change and ensure there is sufficient specialized expertise at the Regional Office level to properly supervise tier I credit unions. The commenter urged the agency to ensure close collaboration between ONES and the Regional Offices on an indefinite basis.

The Board agrees with commenters on the need for close collaboration between ONES and Regional Offices to ensure continuity and sound supervision for covered credit unions. As discussed previously, the Board intends for the coordination between ONES and Regional Offices to be ongoing. The Board notes that ONES is providing a capital plan training program to Regional Offices to ensure consistency of review across the NCUA. And while the Regional Offices are equipped to provide sound supervision of tier 1 credit unions, the Board will explore ongoing enhancements to the supervisory capabilities and approaches for large credit unions assigned to the Regional Offices.

The Board also notes that the scope of Regional Office examinations will remain consistent with the scope of ONES' examinations as both offices are subject to the same national examination standards. As such, the Board does not expect the review of capital plans or the general supervision of tier I credit unions to be materially different under the Regional Offices. The NCUA has also implemented various supervisory tools that enhance offsite monitoring of covered credit union risk. Under the final rule, these tools remain in use for the supervision of tier I credit unions regardless of their supervisory office, including enhanced data collection. Additionally, as discussed in the proposed rule, there are no changes to the enhanced regulatory requirements for covered credit unions. Therefore, the Board does not believe that Regional Office supervision of tier I credit unions results in undue risk to the NCUSIF.

Two commenters raised the issue of coordination with the Consumer Financial Protection Bureau (CFPB). Specifically, these commenters urged the Board to ensure that coordination exists between the Regional Offices and the CFPB to prevent instances of examination overlap

or confusion resulting from the application of differing standards and expectations. The Board understands the importance of both ongoing interagency and intra-agency coordination and will ensure there is coordination between the appropriate NCUA supervisory office and the CFPB.

Another commenter recommended that the Board consider a longer-term strategy for managing the scope of ONES supervision. The commenter stated that as long as industry assets continue to grow, it is only a matter of time before the number of ONES-supervised credit unions increases. The commenter stated that adopting a larger tier I asset threshold is one way for the agency to make the most of existing resources while undertaking a more comprehensive analysis of how best to allocate supervisory resources as industry assets continue to grow. The Board agrees with the commenter that longer-term strategic planning is an important part of its resource allocation. The Board notes that the annual budget process has been one tool used to evaluate its long-term resource needs.

Reservation of Authority

The Board may use existing reservations of authority in part 702 to designate a FICU as subject to ONES or Regional Office supervision, or a tier I, II, or III credit union. For example, the Board could use its reservation of authority to subject a tier I credit union that would otherwise be supervised by a Regional Office to ONES supervision. Or, in contrast, the Board may exercise its reservation of authority to have a tier II credit union remain subject to Regional Office supervision. Independent of its use of the reservation of authority to designate an appropriate supervisory office, the Board may also use its reservation of authority to designate a credit union as a tier I, II, or III credit union.

In response to a specific solicitation of comments on this issue, four commenters discussed the Board's potential use of its reservation of authority. Two commenters had concerns that the use of this authority may lack appropriate guardrails and suggested the Board adopt specific guidelines on when this authority could be used. The Board is declining to adopt specific written guidelines at this time. The Board has not proposed changes to its current

reservation of authority and believes that the existing rule provides sufficient information on factors the Board would consider before using its authority. The proposed rule stated that when making any such determination, the Board will consider all relevant factors affecting the covered credit union's safety and soundness, such as its activities, business model, risk-management practices, and the types of assets held. The proposed rule also stated that any exercise of authority under this section by the NCUA will be in writing and consider the financial condition, size, complexity, risk profile, scope of operations, and level of net worth of the covered credit union, in addition to any other relevant factors. The Board believes any additional guidelines on use of the reservation of authority would unnecessarily reduce the Board's flexibility to address the riskiness of a credit union. The Board notes, however, that this authority has never been used and that the Board expects use of such authority would continue to be limited.

These commenters also asked the Board to clarify the appeal rights of a covered credit union in any situation when the reservation of authority is invoked. The Board has declined adopting an appeal process because the Board has not delegated this authority and would itself exercise the reservation of authority. Another commenter generally stated that it is important that the NCUA have a clearly demonstrated rationale for using the reservation of authority, but acknowledged that instances may arise that require the NCUA to employ greater oversight over a credit union. When deciding to use its authority, the Board would consider all relevant factors affecting the complex credit union's safety and soundness and would state its rationale to the credit union. The Board expects to provide a credit union subject to proposed use of the reservation of authority with an opportunity to present evidence on why the agency should not proceed with use of the authority.

Finally, one commenter stated that the reservation of authority should include an express requirement that the NCUA would consult and cooperate with state regulators before transferring a tier I state-chartered FICU (FISCU) to ONES. The Board does not believe an express

requirement is necessary; however, it expects consultation with state regulators would occur prior to exercising its authority under the final rule.

Comments Outside the Scope of the Proposed Rule

One commenter recommended that the Board harmonize when a credit union is designated as a covered credit union with the CFPB's calculation of its $10 billion asset threshold. Specifically, the NCUA should calculate total assets as the average of the covered credit union's total assets as reported on its Call Reports for the preceding four quarters.

One commenter recommended considering making a change to the asset-size threshold for FISCUs' examination cycles. According to this commenter, under a 2016 NCUA policy, NCUA examines every FISCU with assets of $1 billion or greater every 8-12 months. The commenter recommended raising the threshold to $3 billion or greater.

These comments were outside the scope of the proposed rule. However, the Board will take them into consideration for future rulemakings or policy updates.

IV. Legal Authority

The Board is issuing this final rule pursuant to its authority under the Federal Credit Union Act (FCU Act).[12] Under the FCU Act, the NCUA is the chartering and supervisory authority for Federal credit unions (FCUs) and the Federal supervisory authority for FICUs. The FCU Act grants the NCUA a broad mandate to issue regulations governing both FCUs and FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe regulations for the administration of the FCU Act.[13] Section 209 of the FCU Act is a plenary grant of regulatory authority to the NCUA to issue regulations necessary or appropriate to carry out its role as share insurer for all FICUs.[14] Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the credit union industry and the NCUSIF remain safe and sound.

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[12] 12 U.S.C. 1751 *et seq*.
[13] 12 U.S.C. 1766(a).
[14] 12 U.S.C. 1789.

V. Regulatory Procedures

Effective Date

The effective date of the final rule is January 1, 2023. This date aligns with part 702 as a credit union that crosses the asset threshold as of March 31 of a given calendar year is not subject to the applicable requirements of part 702 until the following calendar year. Here, credit unions that crossed any asset tier threshold on March 31, 2022, would not be subject to any newly applicable requirements of part 702 until January 1, 2023.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) applies to rulemakings in which an agency by rule creates a new paperwork burden on regulated entities or modifies an existing burden (44 U.S.C. 3507(d)). For purposes of the PRA, a paperwork burden may take the form of a reporting, recordkeeping, or a third-party disclosure requirement, referred to as an information collection. The final rule does not affect any existing or impose any new information collection requirements.

The information collection requirement that tier I credit unions retain a record of their annual capital plan will remain in effect regardless of a covered credit union's supervisory office and is approved under Office of Management and Budget (OMB) control number 3133-0199, Capital Planning and Stress Testing.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule or a final rule pursuant to the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the *Federal Register*. Specifically, the RFA normally requires agencies to describe the impact of a rulemaking on small entities by providing a regulatory impact analysis. For purposes of the RFA, the Board considers credit unions with assets less than $100

million to be small entities.[15] A regulatory flexibility analysis is not required, however, if the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities and publishes its certification and a short, explanatory statement in the *Federal Register* together with the rule. The final rule affects the supervisory office assigned to oversee FICUs with $10 billion or more in total assets. Therefore, the Board certifies that it does not have a significant economic impact on a substantial number of small credit unions.

Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests. The NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles.

This final rule does not have substantial direct effects on the states, on the relationship between the National Government and the states, or on the distribution of power and responsibilities among the various levels of government. The NCUA has therefore determined that this rule does not constitute a policy that has federalism implications for purposes of the Executive order.

Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this final rule does not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999.[16]

Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) generally provides for congressional review of agency rules.[17] A reporting requirement is triggered in

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[15] NCUA Interpretive Ruling and Policy Statement 15–1, 80 FR 57512 (Sept. 24, 2015).

[16] Pub. L. 105–277, 112 Stat. 2681 (1998).

[17] 5 U.S.C. 551.

instances where the NCUA issues a final rule as defined in the Administrative Procedure Act.[18] Besides being subject to congressional oversight, an agency rule may also be subject to a delayed effective date if it is a "major rule." The NCUA believes that this final rule is not a "major rule." As required by SBREFA, the NCUA will submit this final rule to the Office of Management and Budget for it to determine if it is a "major rule" for purposes of SBREFA. The NCUA also will file appropriate reports with Congress and the Government Accountability Office so this rule may be reviewed.

List of Subjects

12 CFR Part 700

Credit unions.

12 CFR Part 701

Credit, Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 702

Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 708a

Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 708b

Bank deposit insurance, Credit unions, Reporting and recordkeeping requirements.

12 CFR Part 750

Credit unions, Golden parachute payments, Indemnity payments.

12 CFR Part 790

Organization and functions (Government agencies).

By the NCUA Board on July 21, 2022.

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[18] *Id*.

Melane Conyers-Ausbrooks,

Secretary of the Board.

For the reasons discussed in the preamble, the Board amends 12 CFR parts 700, 701, 702, 708a, 708b, 750, and 790 as follows:

PART 700—DEFINITIONS

1. The authority citation for part 700 continues to read as follows:

Authority: 12 U.S.C. 1752, 1757(6), 1766.

2. In § 700.2, add a definition of "ONES credit union" in alphabetical order and revise the definitions of "Regional Director" and "Regional Office" to read as follows:

§ 700.2 Definitions.

* * * * *

ONES credit union means a credit union subject to supervision by the Office of National Examinations and Supervision (ONES) and includes tier II and tier III credit unions, as defined under part 702 of this chapter. Tier I credit unions are subject to supervision by the appropriate Regional Office.

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Regional Director means the representative of NCUA in the designated geographical area in which the office of the federally insured credit union is located or, for ONES credit unions, the Director of the Office of National Examinations and Supervision.

Regional Office means the office of NCUA located in the designated geographical areas in which the office of the federally insured credit union is located or, for ONES credit unions, the Office of National Examinations and Supervision.

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PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

3. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 et seq.; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 42 U.S.C. 4311–4312.

4. In § 701.14, revise paragraph (c)(3)(i) to read as follows:

§ 701.14 Change in official or senior executive officer in credit unions that are newly chartered or are in troubled condition.

* * * * *

(c) * * *

(3) * * *

(i) *Where to file*. Notices will be filed with the appropriate Regional Director or, in the case of a corporate credit union or a ONES credit union under part 700 of this chapter, with the Director of the Office of National Examinations and Supervision. All references to Regional Director will, for corporate credit unions and ONES credit unions under part 700 of this chapter, mean the Director of Office of National Examinations and Supervision. State-chartered federally insured credit unions will also file a copy of the notice with their state supervisor.

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PART 702—CAPITAL ADEQUACY

5. The authority citation for part 702 is revised to read as follows:

Authority: 12 U.S.C. 1766(a), 1784(a), 1786(e), 1790d.

6. In § 702.306, revise paragraph (d) to read as follows:

§ 702.306 Annual supervisory stress testing.

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(d) *Information collection.* Upon request, the covered credit union must provide NCUA with any relevant qualitative or quantitative information requested by NCUA pertinent to the capital plans or stress tests under this part.

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PART 708a—BANK CONVERSIONS AND MERGERS

7. The authority citation for part 708a continues to read as follows:

Authority: 12 U.S.C. 1766, 1785(b), and 1785(c).

8. In § 708a.101, revise the second sentence of the definition of "Regional Director" to read as follows:

§ 708a.101 Definitions.

* * * * *

Regional Director * * * For corporate credit unions and natural person credit unions defined as ONES credit unions under part 700 of this chapter, Regional Director means the Director of NCUA's Office of National Examinations and Supervision.

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9. In § 708a.301, revise the second sentence of the definition of "Regional Director" to read as follows:

§ 708a.301 Definitions.

* * * * *

Regional Director * * * For corporate credit unions and natural person credit unions defined as ONES credit unions under part 700 of this chapter, Regional Director means the Director of NCUA's Office of National Examinations and Supervision.

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PART 708b—MERGERS OF INSURED CREDIT UNIONS INTO OTHER CREDIT UNIONS; VOLUNTARY TERMINATION OR CONVERSION OF INSURED STATUS

10. The authority citation for part 708b continues to read as follows:

Authority: 12 U.S.C. 1752(7), 1766, 1785, 1786, 1789.

11. In § 708b.2, revise the second sentence of the definition of "Regional Director" to read as follows:

§ 708b.2 Definitions.

* * * * *

Regional Director * * * For corporate credit unions and natural person credit unions defined as ONES credit unions under part 700 of this chapter, Regional Director means the Director of NCUA's Office of National Examinations and Supervision.

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PART 750—GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS

12. The authority citation for part 750 continues to read as follows:

Authority: 12 U.S.C. 1786(t).

13. In § 750.6, revise the third sentence of paragraph (a) to read as follows:

§ 750.6 Filing instructions; appeal.

(a) * * * In the case of a Federal or state-chartered corporate credit union or a ONES credit union under part 700 of this chapter, such written requests must be submitted to the Director of the Office of National Examinations and Supervision. * * *

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PART 790—DESCRIPTION OF NCUA; REQUESTS FOR AGENCY ACTION

14. The authority citation for part 790 continues to read as follows:

Authority: 12 U.S.C. 1766, 1789, 1795f.

15. In § 790.2, revise the first sentence of paragraph (c)(2) to read as follows:

§ 790.2 Central and field office organization.

* * * * *

(c) * * *

(2) * * * Similar to a Regional Director, the Director of the Office of National Examinations and Supervision manages NCUA's supervisory program over credit unions; however, it oversees the activities for corporate credit unions and of natural person credit unions

defined as ONES credit unions under part 700 of this chapter, in accordance with established policies. * * *

[FR Doc. 2022-16009 Filed: 7/26/2022 8:45 am; Publication Date: 7/27/2022]