



NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 741

RIN 3133-AG00

Requirements for Insurance

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule.

SUMMARY: The NCUA Board (Board) is issuing for public comment a proposal to amend the NCUA’s regulations that establish the requirements for obtaining and maintaining federal share insurance with the National Credit Union Share Insurance Fund (Share Insurance Fund). The provisions of this part apply to all federally insured credit unions (FICUs). The proposal would reduce regulatory burden by eliminating unnecessary and redundant requirements related to disclosing when nonmember accounts are not covered by federal share insurance.

DATES: Comments must be received by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments may be submitted in one of the following ways. **(Please send comments by one method only):**

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. The docket number for this proposed rule is NCUA–2026–0136. Follow the “Submit a comment” instructions. If you are reading this document on federalregister.gov, you may use the green “SUBMIT A PUBLIC COMMENT” button beneath this rulemaking’s

title to submit a comment to the regulations.gov docket. A plain language summary of the proposed rule is also available on the docket website.

- *Mail:* Address to Melane Conyers-Ausbrooks, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428.
- *Hand Delivery/Courier:* Same as mailing address.

Mailed and hand-delivered comments must be received by the close of the comment period.

Public inspection: Please follow the search instructions on <https://www.regulations.gov> to view the public comments. Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received and will not be deleted, modified, or redacted. Comments may be submitted anonymously. If you are unable to access public comments on the internet, you may contact the NCUA for alternative access by calling (703) 518-6540 or emailing OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Frank Kressman, General Counsel, Office of General Counsel, at (703) 518-6540 or at National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428.

SUPPLEMENTARY INFORMATION:

Introduction

A. Background

Part 741 generally applies to federal credit unions (FCUs), federally insured, state-chartered credit unions (FISCU), and credit unions making application for insurance of accounts pursuant to title II of the Federal Credit Union Act (FCU Act). This

part prescribes various requirements for obtaining and maintaining federal share insurance, and paying insurance premiums and the capitalization deposit. Subpart A of Part 741 contains substantive requirements that are not codified elsewhere in the NCUA's regulations. Subpart B lists additional regulations, set forth elsewhere in the NCUA's regulations as applying to FCUs, that also apply to FISCUs.

A FISCU that is permitted by state law to accept nonmember shares or deposits must, under NCUA's current regulation § 741.10, identify such accounts on all required reports and notify all nonmember account holders in writing that their accounts are not insured by the Share Insurance Fund. As is discussed in more detail later in this preamble, to reduce regulatory burden, the Board is proposing to eliminate § 741.10 of Subpart A of part 741 as unnecessary and redundant to the disclosures FISCUs are already required to make as part of their agreement for maintaining federal share insurance.

B. Legal Authority

The Board is issuing this proposal pursuant to its authority under the FCU Act. Under the FCU Act, the NCUA is the chartering and supervisory authority for FCUs and the federal supervisory authority for FICUs.¹ The FCU Act grants the NCUA a broad mandate to issue regulations governing both FCUs and all FICUs. Section 120 of the FCU Act is a general grant of regulatory authority and authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.² Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.³ Section 209 of the FCU Act is a plenary grant of regulatory authority to issue rules and regulations necessary or appropriate to carry out its role as share insurer

¹ 12 U.S.C. 1752–1775.

² 12 U.S.C. 1766(a).

³ 12 U.S.C. 1787.

for all FICUs.⁴ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure that the federally insured credit union industry and the Share Insurance Fund remain safe and sound.

II. Proposed Rule

Section 741.10 applies to FISCUs that are permitted by state law to accept nonmember shares or deposits from sources other than those provided for in the FCU Act. Shares or deposits from other credit unions and public units or, for low-income-designated credit unions, from any nonmembers, are included as insurable accounts under the FCU Act.⁵ For any other nonmember funds permitted by state law, § 741.10 requires FISCUs to identify such nonmember accounts as nonmember shares or deposits on any statement or report required by the Board for insurance purposes. Immediately after a state-chartered credit union receives notice from the NCUA that its member accounts are federally insured, § 741.10 requires the credit union to advise any present nonmember share and deposit holders, by letter, that their accounts are not insured by the Share Insurance Fund. FISCUs are similarly required to notify any future nonmember share and deposit fund holders by letter as they open accounts. The Board is proposing to remove § 741.10 as unnecessary and redundant to disclosures FISCUs are already required to make as part of their agreement for maintaining federal share insurance.

The NCUA adopted this regulation in 1995 to incorporate requirements already imposed on FISCUs by the Agreement for Insurance of Accounts, which must be completed by state-chartered credit unions applying for federal share insurance.⁶ Current NCUA Form 9600, “Information to be Provided in Support of the Application of a State Chartered Credit Union for Insurance of Accounts,” maintains these same requirements.⁷

⁴ 12 U.S.C. 1789.

⁵ See 12 U.S.C. 1752(5).

⁶ 60 FR 58502 (Nov. 28, 1995).

⁷ See Form NCUA 9600, *Information to be Provided in Support of the Application of a State Chartered Credit Union for Insurance of Accounts*, page 14, available at https://ncua.gov/files/publications/resources-expansion/NCUA_9600.pdf.

The Board is now of the view that, to minimize the volume of regulations and other materials FICUs must review to comply with legal and contractual requirements, § 741.10 should be removed as duplicative of the contractual requirement imposed on FISCUs as part of maintaining federal share insurance. Thus, the Board proposes to remove § 741.10 but stresses that FISCUs are still contractually required to fulfill the terms of NCUA 9 Form 600 as a condition of maintaining federal share insurance coverage.

The Board solicits comments on all aspects of this proposal and will consider any comments it receives. The Board also solicits comments suggesting changes that should be made to § 741.9 of the NCUA's regulations, which prohibits FICUs from offering members shares that are not eligible for federal share insurance coverage.

III. Regulatory Procedures

A. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002 (44 U.S.C. 3501 note) (commonly known as regulations.gov).

In summary, to reduce regulatory burden, the proposal would eliminate unnecessary and redundant requirements imposed on FICUs for obtaining and maintaining federal share insurance coverage. The specific provision relates to the disclosure of lack of federal share insurance coverage for uncovered nonmember accounts.

The proposal and the required summary can be found at <https://www.regulations.gov>.

B. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.⁸ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.⁹ This proposed rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OMB has determined that this proposed rule is not a “significant regulatory action” as defined in section 3(f)(1) of Executive Order 12866. Further, this proposed rule to remove an unnecessary provision is consistent with Executive Order 13563.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁰ This proposed rule is expected to be a deregulatory action under Executive Order 14192.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act¹¹ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the

⁸ 58 FR 51735 (Oct. 4, 1993).

⁹ 76 FR 3821 (Jan. 21, 2011).

¹⁰ 90 FR 9065 (Feb. 6, 2025),

¹¹ 5 U.S.C. 601 *et seq.*

proposed rule or the final rule, along with a statement providing the factual basis for such certification.¹² For purposes of this analysis, the NCUA considers small credit unions to be those having under \$100 million in assets.¹³ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions. The proposed rule would reduce regulatory burdens on FICUs by eliminating an unnecessary and redundant section within the NCUA's regulations, which imposes requirements on FICUs for obtaining and maintaining federal share insurance. Its removal simplifies the regulatory code by eliminating unnecessary text.

Accordingly, the NCUA certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities.

D. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid Office of Management and Budget control number. The PRA applies to rulemakings in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information-collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. The NCUA has determined that the changes described in this notice do not create a new information collection or revise an existing information collection as defined by the PRA.

E. Executive Order 13132 on Federalism

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

¹² 5 U.S.C. 605(b).

¹³ 80 FR 57512 (Sept. 24, 2015).

federalism principles. The proposal would reduce regulatory burden by eliminating an unnecessary and redundant section within the NCUA's regulations imposing requirements on FICUs for obtaining and maintaining federal share insurance. Thus, the change would not have a direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

F. Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this proposed rule would not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999.¹⁴ The proposed rule would reduce regulatory burden by eliminating an unnecessary and redundant section within the NCUA's regulations imposing requirements on FICUs for obtaining and maintaining federal share insurance. While the proposed rescission is intended to reduce regulatory burden generally to allow FCUs to focus on their provision of financial services to members, any potential positive effect on family well-being, including financial well-being is, at most, indirect.

List of Subjects in 12 CFR Part 741

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

By the National Credit Union Administration Board, this 23rd day of January, 2026.

Melane Conyers-Ausbrooks,

Secretary of the Board.

¹⁴ Public Law 105-277, 112 Stat. 2681 (1998).

For the reasons stated in the preamble, the NCUA Board proposes to amend 12 CFR Part 741 as follows:

PART 741 – REQUIREMENTS FOR INSURANCE

1. The authority citation for part 741 continues to read as follows:

Authority: 12 U.S.C. 1757, 1766(a), 1781-1790, and 1790d; 31 U.S.C. 3717.

2. Remove and reserve § 741.10.

§ 741.10 [Removed and reserved]

[FR Doc. 2026-01699 Filed: 1/27/2026 8:45 am; Publication Date: 1/28/2026]