

# Regulatory Meetings



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...for the agenda, details on congressional visits, legislative priorities, talking script, sound bites, and regulatory issues! (<https://a.ccul.org/gac2024/>)

Walter E. Washington  
Convention Center  
801 Allen Y. Lew Place NW  
Washington, D.C. 20001

Credit Union House  
403 C Street NE  
Washington, D.C. 20002

The National Democratic Club  
30 Ivy Street SE  
Washington, D.C. 20003

## NATIONAL CREDIT UNION ADMINISTRATION (NCUA)

### Call Report Amendments (Overdraft and Non-Sufficient Funds Fees)

NCUA Chair Todd Harper announced that credit unions with assets exceeding \$1 billion must report overdraft and non-sufficient funds (NSF) fees separately, effective March 31, 2024. This aligns with Federal Deposit Insurance Corporation (FDIC) requirements for banks over \$1 billion; however, the NCUA's reporting will be more detailed.

***Our message: The NCUA should more proactively alert the industry to proposed call report changes to ensure all interested parties can provide comments on the proposals, and so credit unions are more aware of proposed changes.***

### Third-Party Vendor Examination

NCUA Chair Todd Harper continues to push for congressional amendments to grant the agency direct supervisory authority over third-party vendors, citing ongoing National Credit Union Share Insurance Fund (NCUSIF) concerns, which remains a priority throughout 2024.

***Our message: Narrowly tailor any additional vendor due diligence requirements primarily to focus on safety and soundness of the credit union movement.***

### Consumer Compliance Examination

The NCUA is developing a dedicated consumer compliance exam program for large credit unions between \$5 billion and \$10 billion in assets. Expanding consumer protection efforts may divert focus from the agency's primary mission of ensuring the safety and soundness of the credit union system.

***Please share: Illustrate your credit union's dedication to providing financial education and empowering members to make informed decisions, reflecting proactive measures to enhance consumer protection and financial wellbeing.***

### Balance Relationship with the Consumer Financial Protection Bureau

Credit unions thrive when regulatory agencies understand their unique characteristics. Collaboration between the NCUA and CFPB is vital to foster innovation while maintaining consumer protection. To avoid stifling access and innovation, the NCUA should prioritize safety and soundness, leaving consumer protection to the CFPB.

***Our message: Consider the disproportionate impact that one-size-fits-all rulemaking has had on the credit union industry these past several years, and consequently, consumers.***

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## Consumer Financial Products or Service Fees (Overdraft and Non-Sufficient Funds Fees)

The CFPB recently proposed two rules pertaining to overdraft and non-sufficient fund fees. Overdraft protection, often a lifeline for consumers, should be distinguished from other fees. Government mandates on pricing could jeopardize the safety and sustainability of financial services.

***Our message: Any legislative or regulatory restrictions would inhibit the ability of credit unions to help members resolve short-term financial difficulties.***

## OTHER REGULATORY SOUND BITES

### Regulation II (Debit Interchange Regulation)

The Federal Reserve Board (FRB) has proposed significant changes to the debit card interchange fee cap. We are concerned about the potential impact on consumers, smaller financial institutions, and the lack of transparency in the adjustment process.

***Our message: The FRB should study the true cost of interchange and take into consideration how financial institutions with \$10 billion or less in assets may be affected by the proposed rule.***

### Central Bank Digital Currency

The FRB's paper, "Money and Payments: The U.S. Dollar in the Age of Digital Transformation," explores the state of domestic payments, digital methods, and emerging assets such as stablecoins and cryptocurrencies, analyzing the potential benefits and risks of a Central Bank Digital Currency (CBDC) and outlining policy considerations.

***Our message: Implementation of a CBDC should not proceed without congressional authorization and a clear structure and novel purpose.***

### Financial Wellbeing and Inclusion

Credit unions provide accessible and affordable basic financial services to people of all means and encourage the equitable distribution of capital across all individuals, families, communities, and small businesses.

***Please share: Share stories on your credit union's efforts and successes in promoting financial inclusion and community development, such as providing affordable loans, financial education, and outreach programs.***