



National Credit Union Administration  
Office of the Chief Financial Officer

**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board **DATE:** March 16, 2022  
**FROM:** Chief Financial Officer **SUBJ:** 2022-2026 Strategic Plan

**ACTION REQUESTED:** Board approval of the National Credit Union Administration 2022-2026 Strategic Plan.

**DATE ACTION REQUESTED:** March 17, 2022

**OTHER OFFICES CONSULTED:** All Regional and Central Offices

**VIEWS OF OTHER OFFICES CONSULTED:** Concur

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes

**RESPONSIBLE STAFF MEMBERS:** Deputy Chief Financial Officer Melissa Lowden, Supervisory Budget Analyst Jim Holm, Management Analyst Lindsey Courage, and Acting Management Analyst Nicole Whaley.

**SUMMARY:** The NCUA's 2022-2026 Strategic Plan summarizes our analysis of the internal and external environment impacting NCUA; evaluates our programs and risks; and provides goals and objectives for the next five years. The Strategic Plan integrates the agency's mission with clear goals and objectives. The NCUA proactively manages risks to enable effective and efficient mission attainment.

The Strategic Plan highlights the agency's three strategic goals and supporting strategic objectives, which reflect the desired outcome or impact of the strategic goals.

The three strategic goals in the NCUA's 2022-2026 Strategic Plan are to:

1. Ensure a safe, sound, and viable system of cooperative credit that protects consumers.
2. Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services.
3. Maximize organizational performance to enable mission success.

Guided by the NCUA's strategic goals and objectives and leadership priorities, the NCUA's Enterprise Risk Management Council developed an enterprise-wide risk appetite statement. The Board approved that statement in 2018, and it is also part of this Strategic Plan. The risk appetite statement, in combination with the Strategic Plan, provides additional information for NCUA management and stakeholders on the agency's approach to achieving our goals and objectives.

In November 2021, the Board approved a 60-day public comment period for the proposed 2022–2026 Strategic Plan. Comments were due January 24, 2022. NCUA received fifteen comment letters. The primary focus areas of the comments included:

- Climate-related financial risk. Some commenters suggested the Board reconsider the agency’s discussion of, and the approach for, climate-related financial risk, including ensuring the strategic plan does not discourage credit unions from serving specific industries, such as agriculture. Commenters also suggested the agency adopt a collaborative approach with other regulators to develop a risk-based strategy, supported by various economic analyses, for mitigating climate-related financial risks.
- Examination Program. Some commenters suggested the agency adopt additional flexibilities for, and reduce the burden of, the examination program, including extending examination cycles in lower-risk credit unions and implementing virtual examinations.
- Small, minority, low-income designated, and new credit unions. Some commenters suggested the NCUA improve support for new credit union chartering and low-income and minority depository institution designations in part by streamlining agency processes for chartering new credit unions, approving field of membership changes, and granting minority depository institution and low-income designations.
- Share Insurance Fund. Some commenters opposed statutory changes related to the Share Insurance Fund and encouraged returning the Normal Operating Level to 1.3 percent.

Many of the comments received were generally supportive of efforts and initiatives the NCUA has undertaken, and that are included in the Strategic Plan. This includes general support for items such as:

- Using a hybrid approach of both on-site and virtual examinations and including external feedback from stakeholders to improve examinations.
- Improving the chartering process and continuing efforts to promote diversity and inclusive and equitable financial services at credit unions.
- Improving the skills and technical capabilities of the NCUA workforce.

Based on comments to the draft, the agency revised the Strategic Plan. Examples of these changes include:

- Revised the narrative describing the long-term risk posed by climate-related financial risk, including the clarification that the agency does not intend to micromanage credit union lending decisions for climate-related financial risk, and that that nothing in this Strategic Plan should be construed as discouraging activities related to agriculture or fossil fuels.

- Added additional strategies to support small, minority, new, and low-income designated credit unions and underserved areas.
- Revised a proposed strategy under Strategic Goal 2 to include “other partnerships” to the strategy supporting the success of small, minority, low-income designated, and new credit unions through training and CDRLF technical assistance grants and loans.

Other comments were at a more detailed level of program implementation (rather than at the strategic level), were too specific for the strategic plan, and can be considered in program implementation or addressed in the APP.

**RECOMMENDED ACTION:**

The Board approve the NCUA’s 2022-2026 Strategic Plan, which includes the agency’s enterprise-wide risk appetite statement.

**ATTACHMENT:**

- NCUA 2022-2026 Strategic Plan