



NCUA Media Release

NCUA Testifies on Exam Reform Bill

Pending House Legislation Could Lead to Unintended Consequences

WASHINGTON (Feb. 1, 2012) – National Credit Union Administration (NCUA) Executive Director David Marquis testified before the House Financial Services Subcommittee on Financial Institutions and Consumer Credit here today on H.R. 3461, the Financial Institutions Examination Fairness and Reform Act.

“NCUA recognizes that our examination process, like that of every other financial institutions regulator, can be improved and enhanced,” said Marquis. “Towards that end, NCUA has already adopted a number of examination practices that fall in line with the legislation.”

Consistent with H.R. 3461, NCUA has prioritized the timely delivery of findings, so that exams are promptly completed and credit unions may quickly address small issues before they grow into big ones. NCUA also has a zero-tolerance policy to prevent retaliation against credit unions that appeal their findings. Every exam report contains a cover page that explains a credit union’s appeals rights and references NCUA’s policy on appeals and non-retaliation.

NCUA’s testimony also raises significant unintended consequences of H.R. 3461, including increased administrative costs, higher risks for the National Credit Union Share Insurance Fund, and the imposition of a one-size-fits-all approach in the examination of financial institutions.

“NCUA recognizes that financial services regulators must conduct exams fairly and consistently, and we strive to achieve this standard,” concluded Marquis. “NCUA is also committed to addressing legitimate concerns about the present exam process, minimizing regulatory conflicts, promoting procedural fairness, and advancing exam consistency. Later this year, for example, NCUA will adopt a National Supervisory Policy Manual to reinforce greater consistency in our exams. We are also committed to working with Congress to explore other ways to address concerns about the exam process.”

For the complete testimony, click [here](#).

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 91 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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