

# NCUA LETTER TO CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314**

**DATE:** October 2011 **LETTER No.:** 11-CU-17  
**TO:** Federally Insured Credit Unions  
**SUBJ:** NCUA Office of Consumer Protection

Dear Board of Directors:

This letter is part of the NCUA Board's continuing effort to operate the agency in an open and transparent manner.

Our intent with this letter is to provide helpful information regarding NCUA's new Office of Consumer Protection (OCP) and its two divisions: Consumer Compliance and Outreach, and Consumer Access. Understanding each division's responsibilities will assist federally insured credit unions in submitting requests and questions to the appropriate division. And in an effort to work cooperatively with federal credit unions' supervisory committees, this letter also addresses NCUA's member complaint resolution process.

## **Background**

In June 2009, the Obama Administration issued a regulatory restructuring plan entitled *Financial Regulatory Reform: A New Foundation*. A major aspect of the regulatory restructuring was the creation of a new, independent agency devoted to consumer financial protection. A key reason cited for separating consumer protection from other supervision was the prudential financial institution regulators' "potentially conflicting mission to promote safe and sound banking practices."

Consistent with this philosophy, NCUA designed OCP to segregate consumer protection and consumer compliance responsibilities from those involving safety and soundness. In addition, the NCUA Board wanted to demonstrate the importance the agency places on consumer protection by raising the profile of this function and assigning dedicated resources to this aspect of NCUA's mission. The NCUA Board approved the funds to create OCP in November 2009, and the new office became fully functional in 2010.

OCP incorporates a broader view of NCUA's consumer-related activities by:

- Providing a core element within NCUA with a sole focus on consumer protection;
- Providing expertise and serving as a strong advocate for consumer safeguards and education;
- Serving as a liaison with other government agencies on consumer protection issues;
- Providing dedicated resources to the role of the Ombudsman; and
- Centralizing field of membership processing.

### **Scope of Responsibilities**

OCP consists of two divisions: the Division of Consumer Compliance and Outreach (CCO), and the Division of Consumer Access (CA). These two divisions are responsible for NCUA's consumer protection and chartering programs and policies.

#### **Division of Consumer Compliance and Outreach (CCO) is responsible for:**

- Consumer compliance policies, program and rulemaking;
- Interagency liaison on consumer protection and compliance issues;
- Fair lending examinations;
- Consumer call center;
- Financial literacy and outreach programs; and
- Ombudsman duties.

As part of OCP's outreach initiative, NCUA launched a consumer-oriented website in March 2011: [www.MyCreditUnion.gov](http://www.MyCreditUnion.gov). This new website is available in both English and Spanish. There is a link to [MyCreditUnion.gov](http://www.MyCreditUnion.gov) on NCUA's home page ([www.ncua.gov](http://www.ncua.gov)), or consumers may use the [www.MyCreditUnion.gov](http://www.MyCreditUnion.gov) address to enter the website directly. The website provides consumers with valuable information about credit unions, NCUA, federal share insurance, and financial tips involving savings and credit. In addition, the website provides credit union members with procedures to follow in resolving a dispute with their credit union including how to file an on-line complaint with OCP.

In addition to answering questions from credit unions, their members, and consumers involving consumer protection and share insurance matters, CCO also processes member complaints filed against federal credit unions. By centralizing the member complaint process, NCUA is able to provide consistent service to credit union members in resolving disputes with their federal credit union.<sup>1</sup>

NCUA instructs members to attempt to resolve their issue with a federal credit union directly before submitting a complaint to CCO. If the member is unsuccessful in resolving their issue with the federal credit union, then:

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<sup>1</sup> CCO handles member complaints in accordance with section 4.12 of the Supervisory Committee Guide. ([www.ncua.gov/GenInfo/GuidesManuals/supervisory\\_comm/supcomm.pdf](http://www.ncua.gov/GenInfo/GuidesManuals/supervisory_comm/supcomm.pdf))

- The member may submit a written complaint (on-line, by e-mail, by fax or by regular mail) along with any supporting documentation to CCO;
- CCO sends a letter to the chairman of the federal credit union's supervisory committee, including the member's original complaint, requesting a response usually within 21 days from the date of the letter;
- CCO sends an acknowledgement letter to the member including the date the supervisory committee is to respond to NCUA;
- Once the supervisory committee's response is received, CCO reviews the response to ensure it adequately addresses the member's complaint and that the action(s) taken, if any, are consistent with consumer protection laws and regulations;
- If the federal credit union did not address all of the member's concerns or there are remaining questions involving regulatory or consumer compliance issues, CCO will request additional information and/or clarification from the supervisory committee and notify the member that the complaint investigation is still ongoing;
- Once all issues associated with the complaint have been adequately addressed by the supervisory committee and analyzed by CCO, NCUA notifies the federal credit union and the member of one of the five following actions:
  - The federal credit union has resolved the issue to the member's satisfaction and the case is being closed;
  - The federal credit union did not violate either a consumer protection law or consumer compliance regulation and the case is being closed;
  - One of the two parties initiated litigation; therefore, the courts will decide the outcome and the case is being closed;
  - Upon further investigation the issue does not involve either a consumer protection law or consumer compliance regulation; therefore, it does not fall under NCUA's purview (Examples of this are complaints involving state contract law, state foreclosure procedures, etc.); or
  - A violation of either a consumer protection law or consumer compliance regulation has occurred. CCO cites the specific violation or the law or regulation and required corrective action(s) to be taken by the federal credit union.

Complaints filed with CCO against either state-chartered credit unions or other types of financial institutions are forwarded to either the appropriate state supervisory authority or federal regulator for disposition.

**Division of Consumer Access is responsible for:**

- New federal credit union charters;
- Charter conversions;
- Field-of-membership expansions;
- Share insurance conversions;
- Bylaw amendments; and
- Low-income designations.

As of July 1, 2011, OCP completed consolidating the regional Division of Insurance functions into OCP's Division of Consumer Access, with the exception of mergers and liquidations. Federally insured credit unions should contact the Division of Consumer Access for assistance with any of its functions.

I hope this letter enhances your understanding of the responsibilities and operations of OCP.

If you have any questions, please contact OCP at 703-518-1140 or [OCPmail@ncua.gov](mailto:OCPmail@ncua.gov).

Sincerely,

/s/

Debbie Matz  
Chairman