UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
NATIONAL CREDIT UNION ADMINISTRATION BOARD

In the Matter of the Cease-and-Desist Order of **New Bethel Federal Credit Union** Portsmouth, VA	)	Docket No. 14-0247-R2

STIPULATION AND CONSENT
TO CEASE AND DESIST ORDER

The National Credit Union Administration Board ("NCUA Board"), by and through its undersigned Regional Director, and New Bethel Federal Credit Union ("the Credit Union" or "New Bethel") hereby stipulate and agree as follows:

1. Consideration. The NCUA is of the opinion that grounds exist to initiate an administrative cease and desist action against the Credit Union pursuant to Section 206 of the Federal Credit Union Act, 12 U.S.C. § 1786. The Credit Union, without admitting that said grounds exist (except those set forth as to jurisdiction in paragraph 2), desires to avoid the time, cost and expense of administrative litigation. Accordingly, the Credit Union consents to this Stipulation and Consent to Cease and Desist Order ("Stipulation") and subsequent issuance by the NCUA Board of a Cease and Desist Order ("Order").

2. Jurisdiction.

(a) The Credit Union is an "insured credit union" within the meaning of Section 101 of the Federal Credit Union Act, 12 U.S.C. §§ 1752(1); 1752(7).

(b) Pursuant to the authority vested in the NCUA Board under Section 206 of the Federal Credit Union Act, 12 U.S.C. § 1786, and Part 747 of the NCUA Rules and Regulations, it is an appropriate Federal agency to maintain enforcement proceedings against such an insured credit union. Therefore, the Credit Union is subject to the authority of the NCUA Board to initiate and maintain proceedings against it.

3. Consent. The Credit Union consents to the issuance by the NCUA Board of the accompanying Cease and Desist Order. Pursuant to the Federal Credit Union Act, the Credit Union consents to the following terms and conditions:

Effective December 18, 2014, the Credit Union will:

1. Provide NCUA with bank-generated documents from Monarch Bank demonstrating that account 100727056 is properly titled in the name of the Credit Union, using the Credit Union's tax identification number, by January 15, 2015.

2. Provide NCUA with the Credit Union's monthly financial statements, to include monthly balance sheets, income statements, delinquency reports and charge-off reports, and monthly board meeting minutes for the first eleven months of 2014 by December 31, 2014.

3. Ensure the Credit Union's core processing system contains complete, accurate and up-to-date transactional and member information by December 31, 2014, and that the system is updated with all such data at least monthly from then onward.

4. Maintain and preserve Credit Union records in accordance with Appendix A of Part 749 of NCUA's Rules and Regulations, 12 C.F.R. § 749, Appendix A.

5. Complete a verification of Credit Union member accounts as required by 12 C.F.R. § 715.8 by March 2, 2015.

6. Engage a qualified professional, acceptable to NCUA's Region II Director, to complete all past-due reconciliations of the Credit Union's bank statements by December 31, 2014.

7. Review and reconcile all FedComp records and cash accounts and record any appropriate correcting entries to the affected Credit Union general ledger accounts by January 31, 2015.

8. By December 31, 2014 charge-off all non-performing loans and fund the ALLL account as required by Part 702 of the NCUA Rules and Regulations, 12 C.F.R. § 702.402.

9. Ensure completion and receipt of the audit reports for the Credit Union's 2013 and 2014 annual audits required by 12 C.F.R. § 715.4 by March 31, 2015.

10. Develop and implement a recordkeeping system to properly document the identity of all current Credit Union members and retain physical copies of these records, in accordance with Article II of the Credit Union Bylaws. This same process must also be used to screen and confirm the identity of every future potential member.

11. Provide the Credit Union's NCUA District Examiner with the Credit Union's monthly financial statements, to include monthly balance sheets, income statements, delinquency reports and charge-off reports, and monthly board meeting minutes for each month by the 20th of the following month, starting with the December 2014 statements, and each month thereafter.

12. Ensure that the lists of subjects and businesses periodically published by FinCEN pursuant to Section 314(a) of the USA PATRIOT Act of 2001 are cross-checked against the Credit Union's membership records within the specific timeframes required by law. 31 C.F.R. § 1010.520.

13. Ensure that the Credit Union's Supervisory Committee performs its responsibilities and duties as outlined in Part 715 of NCUA's Rules and

Regulations and NCUA's Supervisory Committee Guide, (*available at* http://www.ncua.gov/Legal/GuidesEtc/ GuidesManuals/supcomm.pdf), to include but not limited to the following actions:

- Supervisory Committee meeting minutes must include a listing of attendees, subjects of discussion and updates to the annual audit work plan;

- Work papers from each individual internal control review performed by the Supervisory Committee must include the type of review, date of review, officials/staff present, sample size selected for testing/review and findings;

- A report must be presented at each monthly board meeting, with documentation being incorporated into the board minutes;

- Management's responses to findings, including corrective action plans and status updates must also be incorporated into the board minutes.

14. Continue to not grant any new loans until NCUA deems the Credit Union to be operating in a manner conducive to making sound lending decisions. This includes establishing an effective internal control structure to monitor loans in an ongoing manner.

4. Modification. The Credit Union and the NCUA agree that the above items in the preceding paragraph will remain in effect unless modified in writing by the NCUA Region II Director. The Credit Union agrees that any such modification shall constitute an amendment to the Order and shall be fully enforceable by NCUA.

5. Waivers. The Credit Union waives its right to an administrative hearing to the Cease and Desist Order as provided for in Section 206 of the Federal Credit Union Act, 12 U.S.C. § 1786. It further waives its right to seek judicial review of the Cease and Desist Order or otherwise challenge the validity or legality of the Order.

6. Finality. The Cease and Desist Order will be issued pursuant to Section 206 of Federal Credit Union Act, 12 U.S.C. § 1786. Upon its issuance by the NCUA Board, it shall be a final Order, effective and fully enforceable by the NCUA.

WHEREFORE, in consideration of the foregoing, the undersigned, on behalf of the NCUA Board and the Credit Union, execute this Stipulation and Consent to Cease and Desist Order.

FOR THE CREDIT UNION:

Mark M. Whitaker, CEO

Name & Title MARK M. WHITAKER, CEO

12/20/14

Date

FOR THE NATIONAL CREDIT UNION ADMINISTRATION BOARD

By: Jane A. Walters
Regional Director, Region II

12/22/14
Date