



The National Voice of the State Credit Union System



Document of Cooperation

Statement of Purpose

The National Association of State Credit Union Supervisors (“NASCUS”), on behalf of state regulators of credit unions that are members of NASCUS (“State Regulators”), and the National Credit Union Administration (“NCUA”) enter into this agreement for the purposes of ensuring the safety and soundness of the credit union system, fostering an environment of innovation, prosperity, and success for all system stakeholders, and maintaining a strong cooperative relationship between the state regulatory system and the NCUA.

State Regulators and the NCUA agree that a strong cooperative relationship strengthens the state and federal regulatory agencies and fosters efficient and effective supervisory programs.

State Regulators recognize the NCUA’s role as administrator of the National Credit Union Share Insurance Fund (“Share Insurance Fund”) for all federally insured credit unions. The NCUA recognizes State Regulators as the primary regulator of state-chartered credit unions, and NASCUS as a resource and voice for State Regulators.

This Document of Cooperation is intended as a public declaration of commitment to the principles and practices herein.

State Regulators and the NCUA retain all rights and obligations under applicable statutes and regulations. This Document of Cooperation will not restrict either State Regulators’ or the NCUA’s rights to regulate and supervise credit unions for which they are responsible, as each deems necessary.

Maintaining a Cooperative Relationship

State Regulators, NASCUS, and the NCUA recognize that strong cooperation improves the supervisory process, promotes efficiency, and reduces burden on credit unions. State Regulators and the NCUA agree to cooperate to the maximum extent feasible.

1. Common Goal

State Regulators and the NCUA share a common goal of ensuring the safety, soundness, and viability of the credit union system. However, State Regulators and the NCUA recognize that a shared goal does not necessitate identical visions of how to achieve that goal in every instance.

2. Culture of Cooperation and Mutual Respect

State Regulators and the NCUA will maintain a culture of cooperation and respect for the roles and responsibilities of the other. This includes respect for the chartering process itself, and for the dual-chartering system at large. It will be the mutual responsibility of the State Regulators and the NCUA to make good faith efforts to constructively address issues as they arise.

3. Open Communication and Constructive Dialogue

Constructive dialogue and open communication are essential to a strong cooperative relationship. State Regulators and the NCUA will maintain an environment that encourages the exchange of ideas and information that promote consistent, effective, and forward-looking supervision of the credit union system. NASCUS will support State Regulators in conducting ongoing policy discussions, joint meetings, and Share Insurance Fund-related regulation and guidance development with the NCUA.

Ensuring Safety and Soundness and Enhancing Supervision

It is the shared responsibility of State Regulators and the NCUA to ensure a safe and sound credit union system. To fulfill this responsibility, State Regulators and the NCUA will cooperate to maintain efficient shared supervision programs.

1. Examination Procedures

State Regulators and the NCUA will work together to develop examination procedures to maintain consistent and effective supervisory programs and reduce burden where possible.

2. Supervisory Tools and Data Collection

State Regulators and the NCUA will work together to gather data and develop examination tools and supervisory processes for use by State Regulators and the NCUA. This includes examination platforms, secure data transmission portals, Call Reports, and other monitoring tools and programs.

3. Personnel and Resources

Managing talent is essential to an agency's fulfillment of its supervisory mission. It is incumbent on each agency to maintain highly skilled and highly trained staff for the benefit of the credit union system. State Regulators and the NCUA will work cooperatively to develop and provide effective ongoing training for their respective personnel. State Regulators and the NCUA will work cooperatively to ensure staff have the tools and skills to complete their duties, and that their agencies have the resources needed to implement effective supervisory programs.

Fostering an Environment of Innovation, Prosperity, and Success

The financial services sector, including the credit union system, is continually evolving in ways that challenge static notions of examination and supervision. It is essential to the ongoing success of the credit union system that supervision supports responsible innovation and allows for the prosperity of credit unions and their members. State Regulators, supported by NASCUS, and the NCUA will work together to identify ways to ensure credit union regulation and supervision evolves with the credit union system.

In the spirit of cooperation and commitment, the parties jointly enter into this agreement on August 14, 2019.

Chairman Rodney E. Hood, on Behalf of the NCUA

NASCUS Chairman John Kolhoff, on Behalf of State Regulators