March 8, 2021

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: RFI on NCUA Communications and Transparency

Dear Ms. Conyers-Ausbrooks:

On behalf of America’s credit unions, I am writing to the National Credit Union Administration (NCUA) in response to the request for information (RFI) on the NCUA’s Communications and Transparency. The Credit Union National Association (CUNA) represents America’s credit unions and their 120 million members.

We applaud the agency for taking the initiative to solicit feedback on how it can improve its communications and transparency to the public. It is now more important than ever to ensure credit unions have timely access to necessary information from the agency.

Request for Information

The NCUA is seeking input on how to make its communications with credit unions more effective, consistent, and clear to minimize unnecessary regulatory and operation burdens as much as possible and promote compliance with applicable laws and regulations. While the NCUA’s communications are essential to fulfill its statutory mandate, the agency recognizes the amount of information it provides to credit unions can create challenges and may impose unintended burdens for institutions.

To reduce the burden for institutions and others seeking information, both in terms of expending fewer resources to find relevant information and decreasing the amount of information that requires review, the NCUA is seeking input on how best to streamline and improve communication with its stakeholders.

Question 1: The NCUA issues, or has issued, regulatory and supervisory guidance under a variety of different letterheads, including Letters to Credit Unions, Letters to Federal Credit Unions, Corporate Credit Union Guidance Letters, Accounting Bulletins, Risk

Alerts, Regulatory Alerts, Consumer Financial Protection Updates, and Supervisory Letters. Is this practice effective? Should the agency consider consolidating its supervisory guidance into fewer letterheads?

We believe the current practice of issuing regulatory and supervisory guidance under a variety of different letterheads is helpful. This makes it quicker and easier for the recipient of the document to understand what it is they are looking at. Further, it helps in situations where a single recipient at a credit union receives documents issued by NCUA and then disseminates such documents to appropriate staff.

While we believe this practice should continue, we ask the agency to consider also allowing credit unions to receive a compilation of releases, maybe on a bi-weekly or monthly basis. This would help the credit union ensure it has not missed any release from the agency; it would also compile recent releases in a single document/email/posting on the agency’s website.

Question 2: How effective are the NCUA’s current forms of communication, such as press releases, social media content, and email distributions? Which of these are the most or the least effective? Are there other methods of communication the NCUA should consider?

The NCUA’s current forms of communication are generally effective in providing current information to the industry. The NCUA Express emails are generally considered to be the most helpful. One of the reasons credit unions find them so useful is because the agency tends to send out an email for most important information released by the NCUA. Since NCUA Express emails cover a range of categories and topics, it would be helpful if the email clearly identifies (maybe in the header or just below) the category/topic of the email (e.g., Board Action Bulletin, NCUA Webinar, Letter to Federal Credit Unions, etc.).

NCUA Express and other email from the NCUA to credit unions typically include hyperlinks to additional content related to the subject of the email. While the use of such links is commonplace—and is a useful practice—some credit unions may be concerned about accessing links (in potentially fraudulent emails) in the current environment of ever-increasing cyber and data threats. Thus, we ask the NCUA to consider also providing information on how users can access the information linked within an email through NCUA.gov (e.g., as noted above, a comprehensive listing of all NCUA communication in a single place on the NCUA’s website could help address this concern).

Some recipients indicated that NCUA Express emails are being caught by their spam filters. The NCUA should review how emails are being sent to try to reduce such occurrences; this could be addressed either operationally or through a disclosure alerting recipients to ensure they are not having issues with NCUA email landing in their spam folders.
We encourage the agency to utilize its Twitter and other social media accounts for conveying important, timely information. For example, during a recent board meeting there was a technology issue that caused the livestream to become unavailable. After a few minutes, the agency did provide a tweet with a status update on the meeting, a new link to the meeting, and the exact time the meeting would resume. This information was very helpful for those following the board meeting. Going forward, if the agency plans to use Twitter to convey such timely information, it would be helpful for the agency to make it known to the public that the official NCUA Twitter account is the place to look for information on very time sensitive matters, such as the recent issue with the board meeting or even emergency events.

We also encourage the agency to make greater use of its YouTube channel. The agency posted only six videos in all of 2020. It would be helpful for more content to be made available on the agency’s YouTube channel, including all open board meetings and other agency webinars; the agency makes such content available on its website but it would be easier to access all content in a single, easy to use source, such as YouTube. Further, the agency should do a better job promoting its YouTube Channel, which currently has under 3,000 subscribers.

Regarding webinars, the NCUA should produce more (and promote better) webinars on examination findings and the issues they consistently see during routine examinations. This information is critical to helping credit unions understand the issues and issue areas they may need to focus on. Using webinars to educate credit unions on these common exam findings is a better use of the NCUA’s resources than adding additional examiners to conduct more detailed consumer protection examinations.

**Question 3:** Which communications vehicles are best suited for informing federally insured credit unions about new policy initiatives, laws and regulations, guidance, background or educational materials, news and other updates?

As mentioned, we believe the NCUA Express email is a good tool for informing credit unions of new issuances from the agency.

Further, the agency should consider creating a webpage on its website that includes a running compilation of all issuances—whether about a proposed rulemaking, an update to the examination manual, or an announcement of a change to staff—in a single place. This would allow a credit union to ensure it has not missed any release, as well as easily search the comprehensive list using their browser’s *find* feature.

**Question 4:** How appropriate is the timing and frequency of the NCUA’s communication?

The timing and frequency of the NCUA’s communications are generally good. It would be helpful if the agency made recordings of open board meetings available sooner after the conclusion of the meeting; sometimes it can take multiple weeks.
Again, the agency’s official Twitter account can be a great tool for distributing timely information. However, as noted above, if the agency plans to convey important (timely) information via its Twitter account, then it should inform the industry that it will use Twitter to convey such information.

The agency often releases information, typically in the context of a Board Action Bulletin following the conclusion of a board meeting included in an NCUA Express email, that provides details on final rules, including the effective date of the rule. The format of the effective date in these releases is often a certain number of days (e.g., 30 or 60) following publication in the *Federal Register*. However, the NCUA does not provide follow up communication when the rulemaking is published. This is particularly problematic when a rulemaking takes multiple weeks or even months to be published. Therefore, we ask the agency to consider following up with the industry once final rules have been published in the *Federal Register*—whether in the form of an NCUA Express email or other type of communication.

In addition, the NCUA should communicate better to stakeholders when it is conducting its annual regulatory review and is seeking feedback. Since this is not a formal rulemaking it is not published in the *Federal Register*. Further, the agency traditionally has not alerted stakeholders of the regulatory review through an NCUA Express email or other communication. Given the importance of public feedback on the agency’s rulemakings—which is the subject of the annual regulatory review—it is important that the agency officially communicate when it is soliciting input on the review.

*Question 5:* Is it clear to federally insured credit unions which of the agency’s communication is supervisory in nature and which is purely informational?

Given the importance of supervisory releases, we think the agency can do a better job differentiating between supervisory and purely informational communication. This could be accomplished by including a subtitle within the email header (as suggested above) or utilizing different (branded) headers in the NCUA Express email to differentiate various types of information.

*Question 6:* How can the NCUA improve the NCUA.gov and MyCreditUnion.gov websites? Does the website search function provide helpful and relevant results? What aspects of the NCUA.gov and MyCreditUnion.gov websites are the most helpful?

While the search function may provide relevant results, the results are not helpful without the ability to effectively filter them. The ability to filter search results continues to be more important as more content is added to NCUA.gov. The website should include a filter that allows the user to limit the scope of the search to different types of content, such as Letters to Credit Unions, Press Releases, etc.

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2 For example, the Subordinated Debt final rule was approved by the NCUA Board in December 2020, but not published in the *Federal Register* until late February 2021. 86 Fed. Reg. 11,060 (Feb. 23, 2021). While this particular rulemaking included a definitive effective date at the time it was adopted by the Board, such is often not the case.
While certain pages, such as the Letters to Credit Unions page, include robust filtering options, the general search feature at the header of NCUA.gov should also include a filter. Further, the general search feature at the header of NCUA.gov should also include sort functionality.

Further, we ask the agency to comb its website to remove outdated, duplicative, and superseded regulatory and supervisory guidance. This straightforward task is critical to ensuring credit unions have and rely on the most current, accurate information. In addition, we ask the agency to identify and flag Legal Opinion Letters that may have become outdated, superseded or discredited, or that may have been revised, modified, revoked, or suspended.

**Question 7:** How often do you access the financial performance, chartering and merger data available on NCUA.gov? Is the current format useful to you? How can we improve the presentation of data online?

The NCUA recently made changes to the Financial Performance Reports (FPRs) on the agency’s website. Some credit unions find the new format to be less useful, less intuitive, and more cumbersome. In particular, the newly designed Key Ratios page contains a lot of information that while might be interesting to the agency’s supervisory staff, is less useful for the average credit union user. Information that could previously be viewed at a glance now requires users to toggle between two pages of detailed information and/or print each page to compare the data side-by-side. Following are examples of specific problems with the new format:

- Historically, the ratios page contained a detailed spread analysis that conveniently summarized the individual components of credit union Return on Assets, allowing users to clearly see net interest income, fee/other income, operating expenses, and loss provisions. The layout allowed users to easily compare those values to peer averages. However, the new version of the FPR requires users to toggle between two pages to get that same information.

- In the new FPR format, the delinquent loan to total loan ratio is deemed a Key Ratio but the net charge-offs to average loan ratio is considered a Historical Ratio. Previously, these both were Key Ratios in the CAMEL rating system matrix and they continue to typically be treated as Key Ratios by NCUA examination staff.

We believe a keen focus on financials is important and an eye on comparative, peer-based data can be very helpful in evaluating performance. This is especially important during periods of economic disruption and financial instability. We are concerned that the new format may result in a decrease in the use of the FPR tool by some credit unions.

It is unclear why these changes were made, as the agency did not indicate its rationale for doing so. We ask the agency to restore the previous version of the
ratios page as Summary Ratios with the new detailed pages that break out Key Ratios and Historical Ratios also included as options to explore.

Conclusion

On behalf of America’s credit unions and their 120 million members, thank you for considering our comments in response to the RFI on the NCUA’s communications and transparency. If you have questions about our comments, please do not hesitate to contact me at (202) 508-6743 or LMartone@cuna.coop.

Sincerely,

Luke Martone
Senior Director of Advocacy & Counsel