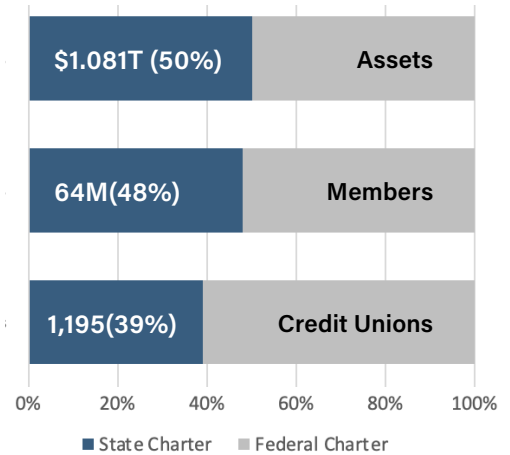


Who We Are

The National Association of State Credit Union Supervisors is comprised of state regulatory agencies, state and federal credit unions, credit union leagues, credit union system stakeholders, and supporters. NASCUS provides a forum for the exchange of Ideas, best practices, concerns, and Innovations for our stakeholders to enhance their operations and from which public policy is developed.

Working together, NASCUS members ensure a safe, sound, growth-oriented credit union system for today and the future. As the professional association of the 45-state credit union regulatory agencies¹, and the collaborative association of regulators, credit unions, leagues, and other system stakeholders, NASCUS serves as a voice of the state credit union system and defender of the dual chartering system.



- Our mission is to forge a vibrant dual charter system by promoting a relevant, growth oriented, and healthy state charter option.
- Our purpose is to advance credit union legislation, regulation, and supervision and to promote a resilient state-chartered cooperative credit union system through regulator and credit union collaboration.

Dual Chartering: Why it is Important

Many experts believe that the United States has the world’s most robust and innovative banking system is largely due to the dual chartering system for banks and credit unions. Both banking and credit union systems can choose to be either state- or federal-chartered institutions.

The choice to be state or federal chartered creates healthy competition among regulatory agencies to make their charter more attractive than their counterparts. When a dual chartering system is appropriately balanced, regulators strive for more efficient supervision and minimize regulatory burden. As a result, financial Institutions have the flexibility to innovate and grow. In the credit union space, we see this innovation resulting not just from the competition between state and federal charters but within the competition between state-based charters. Many groundbreaking innovations in the credit union system have occurred at the state level: making the states known as laboratories of modernization.

A healthy tension of dual chartering is vital to the continued success of the credit union movement, and we work hard to limit preemption of state authority by federal regulators that weaken the dual chartering system.

Issues Affecting the State System

Utilizing the insight of NASCUS’s diverse national membership, NASCUS leverages a variety of perspectives to identify coming trends, cutting-edge issues, and future challenges to remain future-focused. For example, NASCUS was educating members on virtual currency before bitcoin was invented; discussing the “need-to-know” on cannabis banking policy; exploring the implications of fintech; and advocating for equity investment authority, all as part of our efforts to ensure our members remain at the forefront of the changing financial services sector.

¹ Five states do not have state-chartered credit unions: Arkansas, Delaware, Hawaii, South Dakota, and Wyoming.





Appraisal Reform

The issues related to the appraisal industry continue to garner national headlines and generate friction between state and federal regulators, and the financial sector and the appraisal industry. Recently, NASCUS has filed comments on a proposal from the Appraisal Subcommittee related to the process by which a state applies for a temporary waiver from appraisal requirements.

- **NASCUS Comment Letter:** [Appraisal Subcommittee on Appraiser Regulation and Temporary Waiver Requests](#)

NASCUS supports creating greater flexibility to allow prudential financial regulators to adjust appraisal requirements when impediments to obtaining timely and accurate appraisals impede consumer access to credit.

Bank Secrecy Act (BSA)/Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) Regulatory and Statutory Framework

FinCEN is engaged in nearly a half-dozen rulemakings to implement various provisions of the 2020 AML Act and 2020 Corporate Transparency Act (CTA). Among the pending new rules that could dramatically impact credit unions and other entities covered by the BSA is the pending implementation of the National Priorities. Published in 2021 for the first time, the National Priorities must be incorporated into all BSA/AML program written policies and procedures. In addition, changes to the framework related to beneficial owners may also complicate compliance with the BSA.

NASCUS regularly works with FinCEN to ensure that credit unions' voices are heard. We have proactively worked to ensure our BSA/AML training prepares members for potential framework changes.

- **NASCUS Comment Letter:** [Review of Bank Secrecy Act Regulations and Guidance](#)
- **NASCUS Summary:** [Answers to Frequently Asked Questions Regarding Suspicious Activity Reporting and Other Anti-Money Laundering Considerations](#)
- **NASCUS Comment Letter:** [FinCEN No-Action Letter Process](#)

Cryptocurrencies and Digital Assets

NASCUS began viewing these issues in 2006 through the BSA/AML prism. Today we are also working on issues related to digital assets from the perspective of credit union engagement in the digital asset ecosystem and issues related to developing a coordinated regulatory and supervisory framework for the ecosystem.

With respect to likely credit union engagement in this space, the 3 most likely on ramps appear to be:

- Hosting hot wallets through CUSOs
- Facilitating member purchases of crypto
- Offering custodial services through CUSOs

From a supervisory perspective, NASCUS noted in its comments to NCUA on the agency's Request for Information (RFI) on Digital Assets that coordinating with states and other regulators and working toward a common lexicon will be critically important in this space.

The [Federal Reserve issued a whitepaper](#) on the implications of issuing a Central Bank Digital Currency (CBDC). Of particular note is the Fed's concern that issuance of a CBDC could be disruptive to the liquidity of traditional depository institutions. On March 9, 2022, the Biden Administration issued an [Executive Order](#) to focus federal government efforts to study crypto currency and its potential for use in the financial sector.

- **NASCUS Summary:** [Ensuring Responsible Development of Digital Assets](#)
- **NASCUS Summary:** [Federal Reserve Board Discussion Paper "Money and Payments: The U.S. Dollar in the Age of Digital Transformation"](#)

