



The National Association of State Credit Union Supervisors

## State Accreditation Agreement

This is an Agreement between the National Association of State Credit Union Supervisors ("NASCUS"), residing at 1655 Ft. Myer Drive, Suite 650, Arlington, Virginia 22209, and XXXXXXXXXXXXXXXX ("Agency"), street, city, state and zip, for credit union accreditation and continued accreditation.

It is the desire and responsibility of the Agency to provide for a safe and sound credit union industry; it is the responsibility of the Agency to prudently supervise and examine credit unions, which are chartered pursuant to the laws of the state of XXXXXXXX. In order to more effectively carry out its responsibilities and obligations to the citizens of the state of XXXXXXXX, the Agency wishes to determine whether its supervisory and examination procedures and methodologies are adequate in light of any significant changes that may have recently taken place in the credit union industry within the state of XXXXXXXX, in order to have an evaluation made with respect to the Agency's policies and procedures relating to its supervisory and examination functionality, the Agency wishes NASCUS to perform a review and evaluation of such policies and procedures. The Agency acknowledges that the requested review is not required by either federal or state law or regulation, but rather is a voluntary review to be conducted at the Agency's request.

Therefore, the parties, in consideration of the mutual covenants and agreements contained herein, do hereby agree as follows:

(1) SERVICES

(a) NASCUS agrees to provide a virtual or onsite review of the credit union regulatory functions of the Agency through examination and assessment of the Self-Evaluation Report for Accreditation (SERA) and supporting documentation submitted by the Agency. This review shall be performed by an Accreditation Review Team (ART) and staff selected by NASCUS and will address the following five areas:

- I. Agency Administration and Finance
- II. Personnel and Training
- III. Examination
- IV. Supervision
- V. Legislative Powers

(b) The above evaluation shall be completed within six (6) months after the submission of a completed SERA, except that the completion period may be

extended to a maximum of three additional months upon written notice by NASCUS to the Agency.

- (c) Upon approval for accreditation based on standards established by the NASCUS Performance Standards Committee (PSC), a Certificate of Accreditation for five (5) years will be issued to the Agency, subject to maintaining required standards, meeting annual reporting requirements, and paying associated fees/dues.
- (d) Annually, upon notice from NASCUS, the Agency agrees to complete an Annual Review Report issued by NASCUS on designated forms or through other electronic means and to file the Annual Review Report with NASCUS by the scheduled due date determined by NASCUS.
- (e) At its option, NASCUS may perform an on-site or virtual follow-up review and evaluation annually in response to issues identified from the Annual Review Report at the expense of the Agency.
- (f) The Agency agrees to cooperate fully in the evaluation process, including making available all necessary documents and information to NASCUS for inspection and review to allow for a complete and accurate evaluation. Any failure by the Agency or any of its representatives to cooperate may, at the discretion of NASCUS, result in a notice of intent to terminate the Agreement. Upon receipt of such notice, the Agency shall have ten days to cooperate fully as outlined in this agreement. Should the Agency's fail to cure the identified deficiencies within this timeframe lead NASCUS to terminate this Agreement, Agency remains liable to reimburse NASCUS for NASCUS' time, fees and expenses in accordance with paragraph 2 of this Agreement.

(2) **ACCREDITATION EVALUATION PROCESS AND FEES**

- (a) The accreditation evaluation of the Agency will be provided by NASCUS for a fee of \$15,000. An onsite or virtual evaluation will be conducted by the NASCUS appointed Accreditation Review Team (ART). A report with recommendations and findings will be written by Accreditation Review Team (ART) members, approved through the Performance Standards Committee (PSC) and issued by NASCUS to the Agency.
- (b) If the Agency's Self-Evaluation Report does not meet the standards for accreditation, or if for other reasons accreditation is not warranted at the time, the Agency remains responsible for the full \$15,000 fee due to NASCUS.

- (c) Pursuant to maintaining standards as indicated in paragraph (1) (c) above, the Agency shall pay an annual accreditation fee of \$2,000 for review and evaluation by NASCUS (except during the year of the re-accreditation evaluation conducted pursuant to paragraph (1) (a) above). If further evaluation is warranted after the Annual Review is submitted, then the Agency will also be responsible for the cost of an on-site or virtual verification or evaluation at NASCUS's discretion.
- (d) NASCUS and Agency mutually agree that either party may terminate this Agreement upon fifteen (15) days written notice. Should the Agreement be terminated by either party prior to completion of the evaluation pursuant to paragraph 4, below, the Agency agrees to pay the value of the services rendered unless NASCUS is the terminating party for reasons other than Agency's deficiencies pursuant to paragraph 1(f).
- (e) In the event fees for services rendered at termination by NASCUS are less than the \$15,000 deposit, NASCUS shall refund to the Agency that portion of the prepaid \$15,000, if any, which was not expended or incurred. The refund, if any is due, shall be made by NASCUS within thirty (30) days of the date of termination.
- (f) The parties expressly agree that payment for services rendered by NASCUS will be due in accordance with the terms of this Agreement, regardless of whether the Agency ultimately becomes accredited by NASCUS.

(3) **TERM**

The term of this Agreement shall commence on the date signed and shall conclude five (5) years after the date on the Certificate of Accreditation, unless extended by written agreement, or unless terminated in accordance with paragraph (4), at the earlier of (a) the completion of the evaluation of the Agency and the rendering of the accounting referred to above; or (b) six (6) months from the date hereof. If the review to be performed by NASCUS is anticipated to exceed the six (6) month period, NASCUS shall provide written notice to the Agency of the anticipated date of completion beyond the six (6) month period.

(4) **LAPSE OF MEMBERSHIP IN NASCUS**

- (a) This Agreement shall terminate if and when the Agency's membership in NASCUS is terminated; however, NASCUS shall afford the Agency notice of an impending lapse or termination of the Agency's membership at least thirty days prior to any such event occurring. Termination of the Agreement shall render NASCUS Accredited status of the Agency null and void.

(5) **WORK PRODUCT OWNERSHIP AND CONFIDENTIALITY**

- (a) All documents, including reports and all other work products produced by NASCUS under this contract, shall become and remain the property of NASCUS. The Agency shall not share the Work Product with any third party without the permission of NASCUS.
- (b) All electronic documentation submitted by the Agency will be kept secure whether data is at rest or in transit. All information provided by the Agency to the ART and NASCUS staff during the review will be held in strict confidentiality unless otherwise allowed by the Agency in writing.
- (c) NASCUS handles each application and the entire accreditation process in strict confidence up to the announcement of a state agency's accreditation unless the Agency head elects otherwise. All involved parties have either signed a non-disclosure agreement (NDA) with NASCUS or are under such confidentiality obligations with their respective state agency.
- (d) The Parties understand and agree that the Work Product is not subject to and cannot be released under any state Freedom of Information Act (FOIA) or public records laws or requests as the Work Product is exempt from production under state law, is confidential, and the property of NASCUS.

(6) **GOVERNING AUTHORITY**

This Agreement shall be governed in all respects by the laws of the state of XXXXXXXX.

(7) **CONFLICT OF INTEREST**

Both parties agree to comply with applicable law with regard to prohibiting conflicts of interest.

(8) **ASSIGNABILITY**

This Agreement may not be assigned by the Agency, except as necessary by the Agency should it be reorganized or renamed pursuant to statute, executive, or court

order.

(9) **UNLAWFUL DISCRIMINATION**

In the performance under this Agreement, the parties agree to comply with all applicable laws concerning unlawful discrimination in employment on the basis of race, creed, color, sex, religion, physical or mental handicap unrelated to ability, or national origin, and further agree to take action to ensure that no unlawful discrimination is committed.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives:

NATIONAL ASSOCIATION OF  
STATE SUPERVISORS (NASCUS)

State Agency Name  
Division Name

NASCUS Representative:

Agency Representative:

By: \_\_\_\_\_

\_\_\_\_\_

Print: Mary Ellen O'Neill \_\_\_\_\_

\_\_\_\_\_

Address 1: 1655 Ft. Myer Drive,  
Address 2: Suite 650,  
City: Arlington, Virginia 22209

Address 1:  
Address 2:  
City:

Date: \_\_\_\_\_

Date: \_\_\_\_\_