



The National Association of State Credit Union Supervisors

March 30, 2026

Melanie Conyers-Ausbrooks Secretary
of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments on Proposed Rule – 12 CFR Part 741.2: Maximum Borrowing Authority

Dear Ms. Conyers-Ausbrooks:

On behalf of the National Association of State Credit Union Supervisors¹ (NASCUS), I appreciate the opportunity to comment on the NCUA's proposed removal of **Part 741.2** regarding maximum borrowing authority. Part 741.2 limits a FICU's borrowing from any source 50% of its paid-in and unimpaired capital and surplus. For FCUs, the 50 percent borrowing limit is explicitly established by statute and implemented in part 701, making § 741.2 duplicative. For Federally insured state credit unions (FISCUs) NCUA's borrowing limit preempts state limits unless the FISCU seeks a waiver from the NCUA Regional Director.

For FCUs, removal of the provision does not change limits on borrowing authority. However, for FISCUs, removal of the provision would eliminate NCUA's regulatory limit, restoring the regulatory authority of the prudential state regulator.

NCUA's stated goals for removing the provision include:

- Reducing regulatory burden and outdated requirements
- Improving flexibility in how supervisory committee audits are conducted
- Eliminating duplicative or prescriptive rules that no longer reflect modern practices

NASCUS supports the removal of Part 741.2 for FISCUs. We commend NCUA for acknowledging the importance of the dual chartering system and limiting preemption of state authority in its analysis of properly calibrating its rules.

¹ NASCUS is the professional association of the nation's forty-five state and territorial credit union regulatory agencies that charter and supervise over 1,800 state credit unions. NASCUS membership includes state regulatory agencies, state chartered and federally chartered credit unions, and other important stakeholders in the state system. State-chartered credit unions hold approximately half of the \$2.4 trillion assets in the credit union system and are proud to represent nearly half of the 145 million members. The remaining six states lack state-chartered credit unions.



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NASCUS agrees with NCUA’s assessment that state rules, state supervisory authority, and NCUA share insurance supervisory authority provide sufficient backstop to mitigate any safety and soundness risk. Furthermore, restoring balance the dual chartering system, as this proposal does, benefits all credit unions by allowing for regulatory and operational innovation.

Conclusion

NASCUS supports NCUA’s goals of reducing outdated, redundant, and overly prescriptive regulations. and restoring the strength of the dual chartering system. We encourage NCUA to finalize the rule as proposed.

Thank you for the opportunity to comment. We are happy to discuss our comments further, at your convenience.

Sincerely,

-signature redacted for electronic publication -

Craig Money

Vice President, Regulatory Affairs

NASCUS