



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 741.5 Notice of Termination of Excess Insurance Coverage**

Dear Ms. Conyers-Ausbrooks:

On behalf of the National Association of State Credit Union Supervisors<sup>1</sup> (NASCUS), I appreciate the opportunity to comment on the NCUA's proposed removal of **Part 741.5** regarding notice of termination of excess insurance coverage.

Part 741 of the NCUA's regulations implements Title II of the Federal Credit Union Act (FCU), which governs the National Credit Union Share Insurance Fund (SIF). It prescribes requirements that all FICUs must satisfy to obtain and maintain federal share insurance, as well as payment of insurance premiums and the capitalization of deposit, with the SIF.

Part 741.5 addresses notice requirements applicable when a FICU terminates share insurance coverage in excess of that provided by the SIF. The rule is intended to ensure that members are informed when supplemental share insurance coverage is discontinued.

Under the current rule, a FICU is required to:

- Provide written notice to all members at least 30 days prior to the effective date of termination of any excess share insurance coverage

The NCUA Board proposes to amend Part 741.5 by removing the specific requirement that members be notified 30 days in advance of the termination of excess share insurance coverage. Under the proposal, a credit union would instead be required to notify members prior to the termination of the coverage, *without a defined advance notice period*.

NCUA's stated goals for removing the provision include:

- Eliminating duplicative or prescriptive rules that no longer reflect modern practices

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<sup>1</sup> 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 supports the amendment to Part 741.5. Absent compelling analysis that the 30 day notice is particularly effective or necessary, providing credit unions greater flexibility is the better approach. Furthermore, for FISCUs, removing NCUA's prescriptive rule allows states to tailor expectations and requirements to their systems.

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