



The National Association of State Credit Union Supervisors

April 25, 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 701.21 (c)(8) Loan Compensation/Commission

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 amendment to **Part 701.21(c)(8)** related to loan compensation and incentive arrangements. As stated in the proposal, a definition of “overall financial performance” would be added, along with clarification that the exception for compensation based on overall financial performance includes senior management employees.

As an advocate of the state credit union system, NASCUS is providing comments on this proposal given its applicability to Federally Insured State-Chartered Credit Unions (FISCU) through incorporation in Part 741.203(a).

Part 701.21(c)(8) generally restricts compensation arrangements tied to loan originations, while permitting incentive compensation based on a credit union’s overall financial performance. However, the regulation does not currently define “overall financial performance,” which has created uncertainty in the application of this exception.

NCUA’s proposal would address this by establishing a principles-based definition of “overall financial performance” and clarifying that the exception applies to all employees, including senior management.

NCUA states the goal for the proposed regulation change include:

- Reducing overly burdensome regulatory requirements

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 supports the amendment to Part 701.21(c)(8), as the proposed clarification of “overall financial performance” provides additional certainty and flexibility for credit unions in designing compensation programs aligned with their organizational goals. We commend NCUA’s recognition of the dual chartering system and the importance of ensuring that application of this amendment to Federally Insured State-Chartered Credit Unions (FISCUs) through Part 741.203(a) remains appropriately balanced.

Conclusion

NASCUS supports NCUA’s goals of reducing outdated, redundant, and overly prescriptive regulations and maintaining 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