



March 30, 2026

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Requirements for Insurance; Maximum Borrowing Authority
(Docket No. NCUA-2026-0134; RIN 3133-AF94)

Dear Ms. Conyers-Ausbrooks:

On behalf of its member credit unions, the Cooperative Credit Union Association, Inc. ("Association") appreciates the opportunity to comment on the National Credit Union Administration (NCUA) Board's proposed rule on Requirements for Insurance; Maximum Borrowing Authority. This proposed rule is one of four proposals issued as "Round Four" of the NCUA Deregulation Project. The Association is the state trade association representing nearly 200 state and federally-chartered credit unions located in the states of Delaware, Massachusetts, New Hampshire, and Rhode Island, which further serve over 5 million consumer members. The Association developed these comments in consultation with our members.

The Association supports the Board's proposal to delete Section 741.2 of NCUA regulations. Section 741.2 prohibits federally-insured credit unions from borrowing more than "an aggregate amount in excess of 50 per centum of its paid-in and unimpaired capital and surplus (shares and undivided earnings, plus net income or minus net loss)," although the rule also gives the NCUA Regional Director authority to exempt federally-insured state chartered credit unions (FISCUs) from this requirement on a case-by-case basis.

As the Board notes in the proposal, federal credit unions (FCUs) are independently subject to the same 50 percent of paid-in capital and surplus borrowing limitation under Section 701.38 of NCUA rules, which makes Section 741.2 redundant in relation to FCUs. We also agree with the Board that FISCUs are better regulated under state law with respect to percentage limits on external borrowings, although the NCUA will retain safety and soundness authority in relation to FISCUs' liquidity management on a case-by-case basis. In addition, both FCUs and FISCUs will independently be subject to NCUA's Section 741.12 regulation on "Liquidity and contingency funding plans."

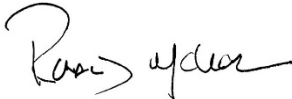
Section 741.2 is unnecessary for federally-insured credit unions in general because the Section 741.12 liquidity and contingency funding plans regulation requires federally-insured credit unions over \$50 million in assets to establish and document a contingency funding plan (CFP) and requires credit unions with \$250 million or more in assets to establish and document access to at least one contingent federal liquidity

source for use in times of financial emergency and distressed economic circumstances, such as the NCUA Central Liquidity Facility (CLF). Further, Section 741.12 in our view makes Section 701.38's FCU borrowing restrictions unnecessary for FCUs to the same extent that Section 741.2's restrictions are unnecessary for FISCUs.

We note also that the Basel Committee on Banking Supervision's *Principles for Sound Liquidity Management and Supervision*¹ does not mandate hard regulatory caps on external borrowings like those found in Sections 741.2 and 701.38. Instead, this Basel Committee guidance suggests that regulators employ a principles-based framework to achieve safe and sound liquidity management that is more consistent with the approach taken by NCUA's Section 741.12 rule.

We urge the Board to finalize this rule as proposed to help reduce regulatory burdens on FISCUs. Thank you for the opportunity to comment on the NCUA Board's proposed rule on Requirements for Insurance; Maximum Borrowing Authority. If you have any questions or desire further information, please do not hesitate to contact the Association at (508) 481-6755 or govaff-reg@ccua.org.

Sincerely,



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¹ Basel Committee on Banking Supervision, *Principles for Sound Liquidity Management and Supervision* (2008), available at <https://www.bis.org/publ/bcbs144.pdf>.