



April 27, 2026

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

RE: Statutory Liens
(Docket No. NCUA-2026-0435; RIN 3133-AF86)

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 Statutory Liens. This proposed rule is one of six proposals issued as "Round Six" 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 the definition of "Except as otherwise provided by law or except as otherwise provided by federal law" in paragraph (a)(1) of the NCUA's Section 701.39 Statutory Lien regulation. 12 C.F.R. § 701.39.

We agree with the Board that this text is unnecessary because what constitutes a federal or state law that prohibits the application of the statutory lien should be self-explanatory. Nor does paragraph (a)(1) provide cross-references to laws that could potentially prohibit a federal credit union from impressing its statutory lien such as the Regulation Z credit card special rule prohibiting creditors from using the right of offset in relation to delinquent "credit card plan" balances. *Cf.* 12 C.F.R. § 1026.12(d) ("Offsets by card issuer prohibited."). Instead, paragraph (a)(1) of Section 701.39 defines "Except as otherwise provided by law or except as otherwise provided by federal law" as follows:

"Except as otherwise provided by law or except as otherwise provided by federal law is a qualifying phrase referring to a federal and/or state law, as the case may be, which supersedes a requirement of this section. It is the responsibility of the credit union to ascertain whether such statutory or case law exists and is applicable..."

We agree, as the Board stated in the preamble to this proposal, that the definition is “not helpful” because federal credit unions’ duty to comply with applicable laws is “a universal consideration.” Even with respect to federal laws, interpretations of those laws may vary by jurisdiction. For example, the Fourth Circuit Court of Appeals in 2024 held that Home Equity Lines of Credit (HELOCs) tied to a plastic card qualify as a “credit card plan,” but the federal circuit courts for other regions of the country have yet to follow this precedent. See *Lyons v. PNC Bank, N.A.*, 112 F.4th 267, 270 (4th Cir. 2024). Federal credit unions are aware they must stay on top of these types of frequently changing compliance requirements with respect to all areas of operations in all relevant jurisdictions.

Paragraph (a)(1) is also unhelpful because it is needlessly repetitive: “Except as otherwise provided by law or except as otherwise provided by federal law” means “a federal and/or state law, as the case may be, which supersedes a requirement of this section.” This circular definition does not convey useful information to credit unions because both phrases are equivalent concepts.

The Association urges the Board to finalize this rule as proposed. Thank you for the opportunity to comment on the NCUA Board’s proposed rule on Statutory Liens. 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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