



April 27, 2026

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

RE: Refund of Interest  
(Docket No. NCUA-2026-0433; RIN 3133-AF99)

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 Refund of Interest. 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 Section 701.24 Refund of Interest regulation as redundant with the statutory refund of interest provision codified in Section 113(9) of the Federal Credit Union Act. 12 U.S.C. § 1761b. Refunding interest to members—i.e. rebating moneys they had previously paid as interest on their loans—traditionally operated similarly to how "patronage dividends" work at consumer co-operatives: as a form of rebate for borrowers that could act as a counterpart to bonus dividends issued on members' shares.

While traditional, credit unions today typically do not offer interest rebates of this type. Instead, most focus on offering a lower interest rate, instead of charging a higher interest rate with the expectation of some kind of rebate. This allows credit union members to make better apples-to-apples comparisons based on Annual Percentage Rate (APR) between the credit union's loans and loans offered by other lenders. However, interest rebates can also be used in connection with promotions and/or as a credit enhancement, such as by offering the borrower a partial rebate of interest if they make all loan payments on time over a specified period.

Section 113(9) of the Act authorizes federal credit union boards to issue interest rebates: "[T]he board of directors shall... authorize interest refunds to members of record at the close of business on the last day of any dividend period from income

earned and received in proportion to the interest paid by them during that dividend period..." 12 U.S.C. § 1761b(9).

The Association agrees with the Board that this Section 113(9) statutory authority renders the Section 701.24 regulation unnecessary. We urge the Board to finalize this rule as proposed.

Thank you for the opportunity to comment on the NCUA Board's proposed rule on Refund of Interest. 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,

A handwritten signature in black ink, appearing to read "Ronald McLean".

Ronald McLean  
President/CEO  
Cooperative Credit Union Association, Inc.  
rmclean@ccua.org