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For MCUL Compliance, Advocacy, and other news, check out the [MLeague Minute!](#)

 Hello & Headlines: Start Here, Stay Informed

**Happy Tuesday, Compliance Clan!** The season is starting to bring warmer temperatures and sunny skies — and I think we all need a little pocket full of sunshine to help us navigate this ever-evolving regulatory landscape! With that said, this issue is a lighter one, so let's get into it!

**April NCUA Board Meeting Recap:** The NCUA Board held its April meeting with four key briefings worth noting. The Board received an update on brokered and reciprocal deposit arrangements, clarifying through FAQ that these tools are already permitted for both low-income designated and non-LID credit unions — no new regulation, just a helpful restatement of existing guidance. Chairman Hauptman noted that uncertainty around these arrangements has acted as an unnecessary barrier to innovation, and emphasized that the NCUA does not intend to serve as a gatekeeper to products and strategies that are otherwise compliant with NCUA rules and applicable law. The Board was also briefed on the ongoing Deregulation Project, currently in Phase 1, with additional proposals expected through July and final rules anticipated in the second half of the year. Chairman Hauptman acknowledged that recent agency workforce reductions are part of what's driving the effort to eliminate duplicative and low-value regulatory requirements. Additionally, the Board reviewed both the 2026-2030 Strategic Plan and the 2026 Annual Performance Plan, which together emphasize risk-focused supervision, responsible innovation, and reducing unnecessary regulatory barriers. We'll continue to monitor developments and keep you informed!

**NCUA Deregulation — Round 9:** Last week, the NCUA announced its 9th round of deregulation proposals, this time targeting field of membership requirements. Currently, associational groups that require the purchase of a product or service as a condition of membership face automatic disqualification — the proposed rule would eliminate that automatic bar. Under the proposal, a product or service requirement would no longer be grounds for automatic denial; instead, eligibility would be evaluated holistically on a case-by-case basis.

For credit unions, this is a meaningful relief measure. The proposed amendments under 12 CFR Part 701 would reduce the regulatory burden on single associational common bond and multiple common bond federal credit unions of all sizes, particularly when seeking to add associations that may carry some customer-client component to their membership structure.

**FinCEN Whistleblower Program Proposal:** FinCEN has proposed implementing a whistleblower program for reporting BSA violations. Under the proposal, reports that lead to enforcement actions exceeding \$1 million could result in rewards of 10%–30% for the reporting individual. Comments on this proposal are **due June 1, 2026** — stay tuned as we'll keep an eye on developments here!

**Executive Orders Targeting Fraud:** On the presidential front, two executive orders were signed last month with direct implications for fraud prevention efforts:

- **EO 14390** (March 6, 2026) — Targets cyber-fraud and foreign scam networks
- **EO — Task Force to Eliminate Fraud** (March 16, 2026) — Establishes a federal task force focused on eliminating fraud

We'll continue monitoring how these orders translate into operational expectations for financial institutions.

**Illinois Interchange Litigation Update:** The Illinois Interchange Fee Prohibition Act (IFPA) continues to wind its way through the courts. On April 3rd, the Illinois Attorney General filed their reply brief. America's Credit Unions and the Illinois Credit Union League are actively working on a reply and responsive brief, which is **due April 17, 2026**. The case is currently before the U.S. Court of Appeals for the Seventh Circuit. This is one to watch closely — we'll keep you updated as things develop.

**CFPB Litigation Update:** The *National Treasury Employees Union (NTEU) v. Vought* case remains ongoing. As a reminder, this litigation challenges whether the Trump administration can unilaterally dismantle the Consumer Financial Protection Bureau (CFPB). The NTEU originally filed suit to prevent Acting Director Russell Vought from terminating employees, canceling contracts, and reducing agency funding.

A recent filing in the case is significant — it outlines CFPB leadership's intent to scale back agency operations if permitted by the court. Acting Director Vought maintains that the CFPB would continue to fulfill its statutory obligations, but in what he characterizes as the most efficient manner possible, forming the basis for the proposed restructuring plan.

In parallel, the CFPB has filed motions with the D.C. Circuit seeking to modify the existing stay pending appeal of the preliminary injunction that currently prohibits a reduction-in-force. The CFPB has also requested a limited 45-day remand to the District Court to allow reconsideration of that injunction in light of recent developments. The plaintiffs' reply brief is expected by **April 17, 2026**. We're watching this one closely and will continue to provide relevant updates as they come.

**Destination Compliance Sunset Reminder:** Although we mentioned this last issue, we want to share one more reminder: **Destination Compliance will be sunset on April 30th**. In its place are two great resources — the **Compliance Office Hours Teams Channel** and **InfoSight360 Discussion Boards** — both of which are constantly growing with new features and content. If you haven't joined the Teams channel yet, please reach out to me directly at [JaMille.Rauls@mcul.org](mailto:JaMille.Rauls@mcul.org) — I'd love to get you connected!

**We Want to Hear From You!** What do you want to see more of? Whether it's topics in RegCorner, resources we create, webinars, or group sessions — let us know! These tools exist for YOU, and the League wants to show up in the ways that matter most to you!

*Millie*

 The Fine Print Files: What's New in Reg Land

Some headlines you might have missed:

**NCUA**

- [NCUA Releases New Charter System](#)
- [NCUA Releases 2025 Annual Report](#)
- [NCUA Announces Ninth Round of Deregulation Proposals](#)
- [Agencies Request Comment on Anti-Money Laundering/Countering the Financing of Terrorism Proposed Rule](#)
- [NCUA Board Briefed on Brokered and Reciprocal Deposits FAQs, Deregulation Project, Strategic Plan, and Annual Performance Plan](#)

**America's Credit Unions**

- [The President's Housing Executive Orders - Part 2](#)
- [The President's Housing Executive Orders - Which Regulations Might Be Affected?](#)
- [Issues with AI: Hallucinations](#)
- [Understanding "Permissible Purpose" Under the FCRA](#)

"What's Happening in Compliance" (Besides Everything): Compliance Events

**MCUL Compliance Office Hours**

All Michigan credit unions are invited to join our monthly meetings for compliance updates, regulatory news, problem-solving, and sharing insights with peers. You definitely don't want to miss these calls!

**When:** 1st Friday of every month, unless otherwise noted  
**Time:** 9:00 am

Join us for the upcoming session on **Friday, May 1st** - [2026 Compliance Office Hours Registration](#)

**We will not be holding Compliance Office Hours in June, but will resume in July!**

**MCUL Town Hall — DIFS AI Bulletin With Andrew Bedard**

Join us on **April 27<sup>th</sup>, 2026**, at 1:00 p.m. for a Town Hall to discuss the DIFS AI Bulletin. We will be joined by DIFS OCU Director Andrew Bedard and others from the DIFS team to break down the bulletin and discuss credit unions and AI. There will also be an opportunity for Q&A during this session. [Register Here!](#)

**MCUL GAC | May 12<sup>th</sup>, 2026 | [Register Here!](#)**

**ACE 26 | June 2, 2026 – June 4, 2026 | [Register Here!](#)**

 Issue Spotlight: Why Open Comment Calls – and Your Voice – Actually Matter

If you have input on any comment calls below that you would like to provide for consideration, please direct them to [Haleigh.Krombeen@mcul.org](mailto:Haleigh.Krombeen@mcul.org) and [JaMille.Rauls@mcul.org](mailto:JaMille.Rauls@mcul.org) no later than 3 weeks prior to the comment due date.

When a regulator opens a comment period, that's not just more noise in your inbox. It's an invitation to shape the rules you'll be examined on, and the way you serve your members every day. When credit unions speak up, we consistently see proposals narrowed, timelines extended, and burdens reduced. This month, I want to pull back the curtain on what open comment calls are and show concrete examples of how credit union feedback has changed final outcomes.

**What an "open comment call" really is**

When NCUA, CFPB, or another agency wants to create or change a rule, they publish a Notice of Proposed Rulemaking (NPRM) or request for comment — usually in the [Federal Register](#), on their website, and at [Regulations.gov](#) — with a clear deadline for comments. During that window, credit unions, leagues, trades, and even individual members can submit written feedback, often through Regulations.gov or the agency's own portal. By law, regulators have to review and consider those comments

before issuing a final rule, and you will often see them explicitly reference stakeholder feedback when they adjust scope, definitions, and effective dates. In other words: the proposal is not “final”—it’s the first draft that they’re asking you to redline.

### Receipts: where CU comments changed the outcome

#### 1. CFPB’s small business data rule (1071) – scaled back after industry pushback

CFPB’s 2023 small business lending data collection rule under section 1071 of Dodd–Frank and Regulation B landed hard on credit unions, especially smaller institutions. Credit unions and their trade associations raised alarms about scope, cost, and member impact, particularly around which lenders were covered, how “small business” was defined, and how many data points had to be collected. In response to that wave of feedback, CFPB issued a new proposal in November 2025 to substantially narrow the rule. Among the biggest changes: raising the coverage threshold from 100 to 1,000 covered credit transactions in each of two consecutive years, tightening the “small business” revenue cap from 5 million dollars to 1 million dollars, and stripping out several discretionary data points (including application method, recipient, denial reasons, certain pricing details, and number of workers). Those specific shifts did not appear out of thin air—they track directly with the operational and member-impact concerns raised in credit union and trade association comment letters. Your colleagues told CFPB, “This is too broad and too complex for relationship lenders,” and the Bureau came back with a narrower, more targeted framework.

#### 2. 1071 timing – comments that bought time

Feedback didn’t just change the content of the 1071 rule; it also changed the timing. After finalizing the 2023 rule, CFPB received significant input that the original compliance dates were unrealistic given system builds, vendor dependencies, and staffing constraints. The Bureau responded by proposing revised compliance dates and seeking further comment on those changes. The result was additional implementation runway — roughly a year of extra time in many cases — intended to reduce disruption and allow lenders to implement more thoughtfully. That extension is a direct example of regulators hearing, “This is not feasible on this timeline,” and adjusting accordingly.

#### 3. NCUA’s Deregulation Project – trimming outdated and confusing rules

NCUA’s ongoing Deregulation Project is another place where your voice can, and already does, show up in black and white. The Board is systematically reviewing regulations to identify requirements that are unnecessary, overly prescriptive, or confusing, and is actively soliciting comments from credit unions and other stakeholders. Two current proposals illustrate how this plays out:

- **12 CFR § 701.26 – Credit Union Service Contracts**  
NCUA is proposing to rescind 12 CFR § 701.26, which outlines the authority for a federal credit union to enter into contracts for operational services and requires those contracts to be in writing. The Board notes that having written contracts is already standard business practice and that this regulation has become superfluous, adding complexity without substantive benefit. Removing it is intended to streamline the rulebook and reduce administrative compliance noise.
- **12 CFR § 749 – Records Preservation Program and Appendices**  
In the seventh round of deregulation proposals, NCUA has proposed significant changes to its Records Preservation Program rule. Key elements include removing Appendices A and B (which currently blend guidance and regulation), clarifying definitions of “vital records” and “vital member services,” and adding “vital” to the title and scope of part 749 to emphasize that the rule applies only to essential records. The proposal would also explicitly allow records preservation logs to be maintained electronically, permit destruction of older record versions unless another law requires retention, and clarify expectations for oversight of third-party record custodians. The stated goal is to give credit union boards more discretion around record destruction processes, reduce confusion between binding requirements and guidance, and modernize retention expectations.

NCUA has been clear that these proposed changes are informed by ongoing feedback that some regulations are duplicative, outdated, or overly detailed in ways that blur the line between “must” and “should.” When credit unions use the comment process to point out those pain points, those sections are more likely to end up on the revision list.

#### 4. Call Report and data changes – shaping what gets measured

Even where final changes are still in progress, NCUA’s requests for comment on Call Report changes are a live example of how your feedback can shape what gets measured and how. NCUA has asked credit unions to weigh in on proposed Call Report instruction updates, explicitly inviting suggestions on data burden, clarity, and how well new fields reflect actual product structures. Because Call Report data feeds directly into off-site monitoring, risk analytics, and examination focus, the way items are defined and reported matters. When credit unions explain that certain fields don’t align with how they structure loans or track accounts, NCUA has an opportunity to adjust instructions before they go live — avoiding years of “we know this doesn’t quite fit, but we have to force it in” conversations in exams.

#### Why your individual CU voice still matters

MCUL and national trade groups will continue filing detailed comment letters, but your individual credit union’s voice still carries weight. Regulators look at the volume of comments, the diversity of perspectives, and the specificity of the information provided when they assess how a proposal will operate in the real world. A letter from a 40-million-dollar SEG-based credit union, one from a 3-billion-dollar community credit union, and one from a rural shop with a heavy agricultural portfolio each paint a different picture of member impact and operational reality. That kind of granular, situational detail — how your core system works, what your staffing looks like, how certain products function, how Michigan-specific law like the Credit Union Act (MCL 490.101 et seq.) intersects with federal requirements — is extremely valuable context that a single, generalized trade letter can’t fully capture. When multiple credit unions echo similar concerns — “this threshold is too low for community lenders,” “this record retention expectation is confusing,” “this implementation timeline will force rushed, error-prone changes”— regulators take notice and are more likely to refine the final rule.

#### How to engage: practical, doable steps

You do not need to write a law review article to submit a meaningful comment. A focused, one- or two-page letter with concrete examples is often more impactful than a long, generic narrative. Here’s a simple structure your credit union can use:

- **Start with who you are.** Include asset size, field of membership, and any unique characteristics (rural/urban, SEG/community, heavy small business or ag lending, etc.). This helps regulators understand context.
- **Identify the specific sections you’re responding to.** Reference the section numbers or headings from the proposal so it’s clear what you’re talking about.
- **Describe what works and what doesn’t.** If there’s something you support, say so. If something will create operational or member-impact challenges, describe them in plain language with real numbers where you can — loan counts, staffing, system limitations, training needs.
- **Offer alternatives, even if they’re simple.** Examples: higher or lower thresholds, phased or extended compliance dates, narrower definitions, safe harbors, or clarifying language. Regulators appreciate comments that not only flag problems but also suggest workable solutions.
- **Submit through the listed channel before the deadline.** For NCUA, that often means the Federal Rulemaking Portal via the link on NCUA’s “Rulemakings and Proposals for Comment” page; for CFPB, that may mean Regulations.gov or the Bureau’s own comment portal, as specified in the notice.

MCUL is always happy to review draft comments, help you refine themes, or incorporate your examples — anonymous or attributed — into our letters, consistent with our advisory role. We strongly recommend you consider sending your own comment when a proposal will materially affect your members, your operations, or how you’re examined.

#### What’s next – and how we can partner

NCUA’s Deregulation Project and pending CFPB rule changes mean we can expect more open comment calls in 2026, including proposals tied to records preservation under 12 CFR § 749, credit union service contracts under 12 CFR § 701.26, and broader regulatory cleanup designed to remove redundant or overly burdensome requirements. At the same time, CFPB’s ongoing work on small business data collection and personal financial data rights will continue to shape how you collect, maintain, and share member information. As these proposals come out, watch for MCUL Regulatory Advocacy alerts, RegCorner highlights, and our summaries of what’s in play and where your voice can be particularly impactful. We suggest you loop us in early if you’re considering commenting so we can coordinate themes, avoid duplication, and help make sure Michigan credit unions’ experience is clearly reflected in the record, backed by the professionals whose experience shapes the credit union mission of people serving people – **YOU**.

➡ **Please review the linked PDF below for an at-a-glance summary of each open comment call, why it matters to credit unions, and key deadlines.**

[Open Federal Comment Calls – At-a-Glance Overview](#)



Around the InfoSight: Highlight Worth a 360° Look

Spring is the perfect time to do a little compliance cleanup! This resource walks through key questions every credit union should be asking — from making sure the right people have access to compliance tools, to reviewing policies, procedures, and your BCP. It’s a practical reminder that compliance isn’t just for the compliance team — it touches every corner of the credit union. Check it out on InfoSight360!

[Compliance Spring Cleaning](#)

Staying ahead of compliance deadlines just got a little easier! The Compliance Calendar in InfoSight360 (found under Resources) keeps all your upcoming regulatory deadlines, training events, effective dates, and key compliance milestones in one centralized place. And now with the new list view, you can scan everything chronologically without flipping through months — cleaner, faster, and way more efficient for planning ahead!

[InfoSight360 Compliance Calendar — Now with List View!](#)

**Questions, Comments, Concerns? We are here to help! Email us at [ComplianceHelp@mcui.org](mailto:ComplianceHelp@mcui.org)**

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