



REG CORNER

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

Hello & Headlines! Start Here, Stay Informed

Happy New Year, Compliance Champions of Change!

Hello, Compliance Champions! 🎉 2026 is here, and the regulatory landscape is buzzing with change. **America's Credit Unions is urging Treasury for clarity as penny production ends, asking for a uniform national rounding standard via the Common Cents Act**, Fed support for coin depot access and inventory updates, and interim regulatory guidance to reduce compliance uncertainty. **The Treasury did release guidance on rounding practices, which is currently making waves! (be sure to check out the link in The Fine Print Files: What's New in Reg Land for the full scoop.)**

The NCUA's second wave of deregulation brings four proposals to streamline operations: updates to collateral and deposit rules, removal of duplicative approval requirements for loans to other credit unions, extended deadlines and simplified catastrophic act reporting, and the elimination of prescriptive advertising statements.

Legislative Spotlight: H.R. 1—now Public Law No. 119-21—preserves the credit union tax exemption, introduces a temporary federal income tax deduction for auto loan interest (2025–2028), sets new reporting requirements for deductible auto-loan interest (including indirect lending and refinance treatment), and expects IRS guidance on remittance transactions. Other provisions include an excise tax on remittance transfers, executive compensation, and regulatory modernization. Why does it matter? It preserves not-for-profit tax status, could boost auto lending volumes and competitiveness, and requires operational adjustments for new reporting rules. Next steps: IRS proposed rule on auto-loan interest reporting is open for comment until **Feb. 2, 2026**, with a public hearing scheduled for **Feb. 24**; **America's Credit Unions will issue a Regulatory Alert and FAQs for members.**

Open Comment Calls (responses due within 90 days): NCUA **Deregulation Proposals (comments due Feb. 27, 2026, includes changes to Parts 701, 704, 740, and 748)**, EGRPRA Review (feedback on outdated regulations—Capital, Consumer Protection), and CFPB Notices (ECOA Reg B amendments, small business lending data, financial data rights reconsideration).

Regulatory Roundup: NCUA's deregulation project continues with governance and cybersecurity simplification, supervisory expectations are shifting from prescriptive rules to guidance; CFPB **withdrew 67 guidance documents and set new rulemaking priorities** (mortgage servicing, remittance transfers, financial data transparency); FinCEN **postponed the AML rule for investment advisers to January 2028.**

Let's make 2026 the year of clarity, collaboration, and compliance wins—ready to dive in? Let's go!

— *Millie*

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

Industry Headlines You Might Have Missed:

America's Credit Unions

- [Treasury issues guidance on end of penny production](#)
- [Clarity needed from Fed and Congress on end of penny production](#)
- [Credit unions need answers to emerging penny challenges](#)

NCUA

- [NCUA PRESS RELEASE ON SECOND WAVE OF DEREGULATION PROJECT](#)

Other News

- **CFPB announces annual threshold adjustments for various provisions in Regulations M, V, and Z**
 1. [Regulation Z, Truth in Lending Act - HOEPA loans and qualified mortgages](#)
 2. [TILA Higher Priced Mortgage Loan Appraisal rule](#)
 3. [Regulation Z thresholds under TILA](#)
 4. [Regulation M thresholds under TILA](#)
 5. [Regulation V appendix amendment, 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 next session on **Friday, January 9th.**

★ [2026 Compliance Office Hours Registration](#)



Around the InfoSight: Highlights Worth a 360° Look

Happy Holidays & A Happy and Successful New Year

As the holiday season arrives, it brings with it a welcome pause from the rush of everyday life - a chance to reconnect, reflect, and appreciate the people and moments that truly matter. Whether this time of year finds you surrounded by family, celebrating with friends, or enjoying quiet moments of rest, it reminds us to slow down and savor the traditions, laughter, and generosity that make the holiday season so meaningful. Our team celebrates our Leagues/Associations and Credit Unions as we reflect on 2025 and look forward to 2026. Without you, we couldn't do what we do. We are grateful for the feedback, questions, ideas, content support, collaboration, and active participation needed in order to bring our industry the best in technology products, educational resources, and guides for regulatory compliance.

Beyond celebration, the holidays also invite reflection. We look back at the milestones and challenges of the past year, acknowledging how far we've come and the lessons learned along the way. Even the difficult moments shape us, helping us grow stronger, wiser, and more resilient. Taking this time to appreciate both the triumphs and the trials allows us to step into the new year with a deeper sense of perspective and gratitude. Thank you for the feedback and suggestions as we continue to move InfoSight360 forward and enhance our products to be able to serve you better and more efficiently.

As we welcome the New Year, we carry with us our renewed determination. A new year symbolizes possibility - a fresh page waiting to be filled with new goals, relationships, experiences, and achievements. In 2026, we will continue to focus on innovation, new offerings, and different ways we can better support the industry.

May the season bring you joy, peace, and meaningful connection, and may the coming year be filled with success, good health, and opportunities that inspire you. Happy Holidays from our team to yours, and a very Happy and Successful New Year!

NCUA Issues Several Proposed Rules

On Thursday, December 11th, the National Credit Union Administration (NCUA) issued several proposed rules. Two of those rules are related to Part 748 – Security Program, Suspicious Transactions, Catastrophic Acts, Cyber Incidents, and Bank Secrecy Act Compliance. A third proposal would amend Part 715 which governs supervisory committee audits.

Guidelines for Safeguarding Member Information

Currently, Appendix A to Part 748 provides guidance for developing and implementing administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of member information. The NCUA believes that placement of these guidelines in the Code of Federal Regulations (CFR) may be confusing as they do not contain specific regulatory requirements. The proposal would remove Appendix A from the CFR, and the guidelines would instead be published as a Letter to Credit Unions.

Guidance on Response Programs for Unauthorized Access to Member Information

Currently, Appendix B to Part 748 describes the response programs and member notification procedures that a federally insured credit union should develop to address unauthorized access to or use of member information. The NCUA believes that placement of this guidance in the CFR may be confusing as it does not contain specific regulatory requirements. The proposal would remove Appendix B from the CFR, and the content of Appendix B would instead be published as guidance.

Supervisory Committee Audits and Verifications

Finally, the NCUA has issued a proposed rule to make several changes to Part 715 – Supervisory Committee Audits and Verifications. First, the proposal would make a change to the definition of internal control, making it less prescriptive. Second, it clarifies that the biennial requirement to verify member accounts may be done against any credit union records; not necessarily the records of the credit union's treasurer. Third, it removes the requirement that an engagement letter be signed by both the credit union's supervisory committee and external auditor. Fourth, it removes language from Part 715 that requires a credit union to provide the NCUA with a copy of an audit report upon request. The NCUA already has authority to request this documentation, so that duplicative language is unnecessary. Finally, the proposal removes language from Part 715 that says an adverse opinion in connection with a financial statement audit should be the exception rather than the norm.

Comments on all three proposals must be received by February 9, 2026.

[Quarterly Users' Group Meeting Recording - December 2025](#)

2026 Annual Threshold Adjustments

Each year, a number of federal agencies are required by law to adjust regulatory threshold amounts to account for inflation. Most adjustments are based on the annual percentage change in the Consumer Price Index. The adjustments effective January 1, 2026, are below:

Regulation Z Exemption

An extension of credit greater than **\$73,400** is exempt from Regulation Z unless it is:

- Secured by any real property, or by personal property used by the consumer as his/her principal dwelling, or
- A private education loan.

Regulation M Exemption

A consumer lease with a total contractual obligation in excess of **\$73,400** is exempt from Regulation M.

Fannie Mae/Freddie Mac Conforming Loan Limits

\$832,750

\$1,249,125 for high-cost areas

Qualified Mortgage Pricing

First Lien Loans

The APR charged in connection with the transaction does not exceed the value of the APOR index by more than:

- 2.25% for loans greater than or equal to **\$137,958**
- 3.50% for loans greater than or equal to **\$82,775** but less than **\$137,958**
- 6.50% for loans less than **\$82,775**

Subordinate Lien Loans

The APR charged in connection with the transaction does not exceed the value of the APOR index by more than:

- 3.50% for loans greater than or equal to **\$82,775**
- 6.50% for loans less than **\$82,775**

Qualified Mortgage Points and Fees

Loan Amount	Points and Fees Cap
> \$137,958	3% of the loan amount
\$82,775 to \$137,958	\$4,139
\$27,592 to \$82,775	5% of the loan amount
\$17,245 to \$27,592	\$1,380
< \$17,245	8% of the loan amount

Higher Priced Mortgage Loan Appraisal Requirement

Generally, in connection with a higher priced mortgage loan, the credit union must obtain a written appraisal of the subject property.

However, if one of the following exceptions applies, an alternative method of valuation may be used:

- The higher priced mortgage loan also meets the definition of a qualified mortgage,
- An extension of credit equal to or less than **\$34,200**,
- A transaction secured by a mobile home, boat, or trailer,
- A construction loan,
- A bridge loan with a term of 12 months or less, or
- A reverse mortgage.

High-Cost Mortgage Points and Fees

A loan is considered high cost if the points and fees charged in connection with the transaction exceed:

- 5% of the loan amount for loans of **\$27,592** or greater
- For loans of less than **\$27,592**, the lesser of –
 - 8% of the loan amount, or
 - **\$1,380**

Content updates have been made to the following topics on InfoSight360 to reflect the changes:

- Truth in Lending Act,
- Ability to Repay,
- Appraisals,
- Home Ownership and Equity Protection Act, and
- Accounts (Health Savings Accounts).

In addition, the following model policies have been updated in CU Policy Pro:

- 2210.14 – Health Savings Accounts,
- 7302 – Real Estate Appraisals,
- 7350 – Ability to Repay,
- 7370 – HOEPA Rule Requirements, and
- 9220 – Home Ownership and Equity Protection Act.

Finally, links to the Federal Register entries showing the updated threshold amounts can be found on the Compliance Calendar – 2026 (list view).

IMPORTANT NOTE: As of 12:00pm EST on December 31, 2025, the Consumer Financial Protection Bureau has not provided updates to:

- The asset threshold for HMDA-reportable institutions, or
- The asset threshold for small creditors.

This information will be shared as soon as it becomes available.

Open Comment Calls

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

Guidance: Response Programs for Unauthorized Access to Member Information and Member Notice
NCUA Proposed Rule (12 CFR Part 748)


The NCUA Board proposes to remove Appendix B from Part 748 of the Code of Federal Regulations and reissue it as nonbinding guidance through a Letter to Credit Unions. Appendix B, originally issued in 2005, provides direction for creating response programs to address unauthorized access to member information and member notice requirements.

KEY POINTS:

Comments Due:
February 9th, 2026

[Federal Register](#)

<ul style="list-style-type: none"> • Purpose of Change: Placement of Appendix B in the CFR has caused confusion because it is guidance, not a regulation. Moving it outside the CFR clarifies its status and allows for easier updates. • No Substantive Compliance Changes: Credit unions must still maintain security programs and respond to breaches under Part 748. <ul style="list-style-type: none"> ◦ Focus of Guidance: Develop risk-based response programs tailored to the credit union's size, complexity, and activities. ◦ Address incidents of unauthorized access promptly and notify affected members as appropriate. <p>Comment Period: Ends February 9, 2026. Comments can be submitted via https://www.regulations.gov under Docket NCUA-2025-1305.</p> <p>Why It Matters: This proposal streamlines regulations while preserving essential guidance for protecting member data and mitigating identity theft risks. It ensures flexibility for future updates to address evolving cybersecurity threats.</p>	
<p>Supervisory Committee Audits and Verifications NCUA Proposed Rule (12 CFR Part 715)</p> <p>The NCUA Board proposes amendments to modernize audit and verification requirements for credit unions, reducing unnecessary complexity and aligning with current practices.</p> <p>KEY POINTS:</p> <ul style="list-style-type: none"> • Removes Outdated Provisions: Eliminates prescriptive definitions and engagement letter requirements that are no longer practical. • Simplifies Account Verification: Retains the statutory requirement for biennial verification but removes overly detailed procedural language. • Streamlines Reporting: Removes duplicative language on NCUA's authority to access audit reports, as this is already covered under examination authority. • Comment Period: Ends February 9, 2026. Comments can be submitted via https://www.regulations.gov under Docket NCUA-2025-1303. <p>Why It Matters: This proposal reduces compliance burden while maintaining strong internal controls and financial integrity. It gives credit unions more flexibility in meeting audit obligations without compromising safety and soundness.</p>	<p>Comments Due: February 9th, 2026 Federal Register</p>
<p>Corporate Credit Unions NCUA Proposed Rule (12 CFR Part 704)</p> <p>The NCUA Board proposes amendments to Part 704 to reduce regulatory burden and provide greater flexibility for corporate credit unions while maintaining safety and soundness.</p> <p>KEY POINTS:</p> <ul style="list-style-type: none"> • Removes ALCO Board Member Requirement: Eliminates the mandate that the Asset and Liability Management Committee (ALCO) include at least one member from the board of directors. • Eliminates Certain Filing Requirements: Removes requirements for corporate credit unions to file annual reports and any management letters or reports from independent public accountants with NCUA. • Preserves Oversight: NCUA will continue to access these documents during examinations, ensuring supervisory integrity without duplicative filings. • Comment Period: Ends February 9, 2026. Comments can be submitted via https://www.regulations.gov under Docket NCUA-2025-1302. <p>Why It Matters: This proposal streamlines governance and reporting obligations, reducing compliance costs while maintaining strong oversight through examinations.</p>	<p>Comments Due: February 9th, 2026 Federal Register</p>
<p>Guidelines for Safeguarding Member Information NCUA Proposed Rule (12 CFR Part 748)</p>	<p>Comments Due: February 9th, 2026 Federal Register</p>

<p>The NCUA Board proposes to remove Appendix A from Part 748 of the Code of Federal Regulations and reissue it as nonbinding guidance through Letters to Credit Unions. Appendix A implements the Gramm-Leach-Bliley Act standards for safeguarding member information.</p> <p>KEY POINTS:</p> <ul style="list-style-type: none"> • Purpose of Change: Moving Appendix A out of the CFR clarifies that it is guidance, not a binding regulation, and allows for quicker updates to address emerging cybersecurity threats. • No Substantive Compliance Changes: Credit unions must still maintain comprehensive information security programs under Part 748. • Focus of Guidance: <ul style="list-style-type: none"> ○ Risk-based security programs tailored to the size and complexity of the credit union. ○ Oversight of third-party service providers handling member data. ○ Adoption of strong measures such as encryption and multi-factor authentication. • Comment Period: Ends February 9, 2026. Comments can be submitted via https://www.regulations.gov under Docket NCUA-2025-1304. <p>Why It Matters: This proposal streamlines regulations while maintaining strong expectations for protecting member data and mitigating cyber risks. It ensures flexibility for future updates to keep pace with evolving threats.</p>	
<p>Agency Information Collection Activities; Proposals, Submissions, and Approvals</p> <p>NCUA Notice under the Paperwork Reduction Act The NCUA is requesting public comment on the renewal of several information collections required under its regulations. These collections ensure compliance with statutory and regulatory obligations for credit unions.</p> <p>KEY POINTS:</p> <ul style="list-style-type: none"> • Collections for Renewal Include: <ul style="list-style-type: none"> ○ Records Preservation (Part 749): Requirements for maintaining vital records. ○ Federal Credit Union Bylaws: Documentation and governance standards. ○ Supervisory Committee Audits and Verifications (Part 715): Audit and verification processes. • Estimated Annual Burden: <ul style="list-style-type: none"> ○ Records Preservation: ~8,866 hours ○ FCU Bylaws: ~346,894 hours ○ Supervisory Committee Audits: ~11,029 hours • Comment Period: Ends February 10, 2026. Comments can be submitted via https://www.regulations.gov under Docket NCUA-2025-1306. • Purpose: To evaluate necessity, clarity, and burden of these collections and identify opportunities for streamlining. <p>Why It Matters: Credit unions have an opportunity to influence how reporting and recordkeeping requirements are structured, potentially reducing administrative costs while maintaining safety and soundness</p>	<p>Comments Due: February 10th, 2026 Federal Register</p>
<p> Member Corner!</p>	
<p>WE WANT TO HEAR FROM YOU! 📢 Please share your thoughts during Compliance Office Hours and/or email them directly to me at JaMille.Rauls@mcu.org!</p>	
<p>Questions, Comments, Concerns? We are here to help! Email us at ComplianceHelpline@mcu.org</p>	
<p>If this newsletter was forwarded to you and you'd like your own emailed copy, or wish to be removed from this list, please contact Haleigh.Krombeen@mcu.org or JaMille.Rauls@mcu.org</p>	

