



November 7, 2025

The Honorable Kyle S. Hauptman  
Chairman  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

RE: Proposed NCUA 2026-2027 Budget (Docket NCUA-2025-0543-0001)

Dear Chairman Hauptman:

Thank you for the opportunity to respond to the National Credit Union Administration's (NCUA's) request for comment on the 2026-2027 Staff Draft Budget Justification. We appreciate this invitation to help shape the development of a budget that responsibly and efficiently meets the needs of the credit union system for the year ahead. Further, we commend the NCUA's dedication to transparency and responsiveness in publishing this draft budget and welcoming stakeholder concerns via the open comment period and the November 5 public hearing.

#### **About Inclusiv**

Inclusiv is the leading network of credit unions with a primary mission of promoting community development and financial inclusion. The Inclusiv network represents more than 500 credit unions serving more than 21 million people in predominantly low-income urban, rural, and reservation-based communities across the United States, including Puerto Rico, Guam, and the U.S. Virgin Islands. Inclusiv channels capital and builds the capacity of community development credit unions dedicated to serving low-income people and disinvested communities that mainstream financial institutions fail to serve.

Below are Inclusiv's recommendations for the agency's consideration:

**1. Preserve CURE capacity amid staff reduction to ensure smooth continuation of the Community Development Revolving Loan Fund (CDRLF), technical assistance, training, and charter application review.**

Inclusiv appreciates the NCUA's commitment to enhancing operational efficiency but is concerned that the 30% reduction in budget and 22% reduction in staff at the Office of Credit Union Resources and Expansion (CURE) will impact credit unions' access to critical resources and delay support services including (but not limited to) the chartering process.

The Community Development Revolving Loan Fund (CDRLF) plays an important role in helping credit unions increase capacity, expand charters and outreach, modernize technology, and establish succession plans, all functions that are central to the operational health and/or mission of community development credit unions. These funds help low-income designated (LID) credit unions

and small credit unions especially to strengthen their competitiveness, so they can continue serving their communities for decades to come and avoid merging with a larger institution that may not understand their members' unique needs and circumstances. With diminished technical assistance and training from CURE, more of these valuable institutions may be pushed to merge over minor, resolvable issues.

The CURE office also reviews charter applications and will now be reviewing more charter applications with fewer staff. According to the CU De Novo Collective, 96 charter applications have been submitted so far this year, more than double that of the previous year. As the NCUA considers positions to rehire, we emphasize the importance of maintaining capacity for timely review of charter applications to ensure that new credit unions can continue to fill gaps in financial access. Smooth and effective administration of CURE programs and charter application reviews should be prioritized as critical to the broader health of the credit union system.

**2. Continue to advance CURE process automation to promote efficiency in the FOM application process.**

The NCUA's [2025-2026 operating budget](#) included \$1 million for CURE Process Automation (Attachment 1, page 10), but this line item does not appear in the 2026-2027 proposed budget. We encourage the NCUA to continue to advance CURE process automation as part of the agency's goals to increase efficiency in the credit union system.

In November 2024, NCUA shared that the CURE Process Automation would result in a public facing portal for credit unions to submit their field of membership (FOM) and new charter requests. The portal was expected to include forms for submission of information and data, a visible timeline for applicants to track the status of their submission, and a tool for submitting FOM expansion requests.

The concentration of facilities test typically requires sophisticated data analysis, so offering a tool that would allow credit unions to select their geographies of interest (down to the Census tract level) would significantly reduce the burden of application preparation for small credit unions and increase their approval chances. Such a tool would also increase transparency for credit unions and help them better document for the NCUA how the geographies they are applying to serve lack access to affordable credit despite the physical presence of bank branches. Given the interest and opportunity in streamlining the FOM application process, we hope the NCUA will bring the CURE Process Automation tool to completion in a timely manner and share progress updates throughout the coming year.

**3. Extend examination timeframes for CAMELS 1 and 2 credit unions and make the number of assigned examiners proportionate to credit union size and complexity.**

We appreciate the changes to the examination schedule approved in April 2025. As examination staff and resources decrease, we encourage the NCUA to extend timeframes further for high-performing credit unions with a CAMELS rating of 1 or 2. This modification would help the NCUA strategically focus the agency's most skilled and experienced examination staff on working with

credit unions with higher CAMELS ratings. The NCUA's highly experienced examiners have the depth and breadth of knowledge to support credit unions in turning around difficult situations and resolving challenges.

Further, we recommend that the NCUA make the number of examiners assigned to a credit union proportionate to its size and complexity. Assigning a high-performing small credit union the same examination team size as a large credit union with a history of supervisory concerns is an excessive use of resources and can hinder the examination process if examiners do not communicate effectively or apply consistent interpretations of regulations.

**4. Preserve OEAC capacity amid staff reduction to maintain effective external communications with the credit union system and Congress.**

In addition to CURE, the Office of External Affairs and Communications (OEAC) underwent a dramatic budget reduction of 82% and will now operate with only three staff members. However, during this period of substantial change within the agency, there is an even greater need than previously to actively communicate and engage with credit unions and credit union system partners. In addition, OEAC plays an important role in advising Congressional offices that are developing legislation that would impact credit unions. Having NCUA and credit union system voices present in these conversations is critical to promoting a supportive policy environment for credit unions.

**5. Preserve the Office of the Ombudsman to ensure credit unions have access to an independent and neutral party for resolving issues.**

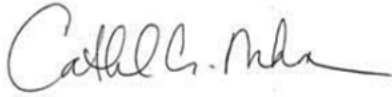
The proposed 2026-2027 budget zeroes out the budget for the Office of the Ombudsman, leaving credit unions without an independent resource for resolution of issues. We are concerned about how this change could impact credit union trust and transparency in the supervisory process and encourage the NCUA to preserve the office so that concerns can be raised and resolved efficiently and fairly.

**6. Provide greater clarity on what the NCUA reorganization will entail.**

Inclusiv appreciates NCUA's sharing information about staff and budget reductions by function. However, it would be helpful to share more specifics regarding the recent and planned changes, such as which roles will no longer exist, which have merged into different functions, and which the NCUA plans to backfill. In addition, it is unclear whether this reorganization impacts regional offices. Lastly, we would be interested to learn more about how the \$10 million for implementation of the NCUA's reorganization plan and process improvements will be used and how the effectiveness of these investments will be evaluated.

Thank you for the opportunity to comment. Inclusiv looks forward to engaging with the NCUA to improve credit union regulatory efficacy and amplify community development credit union impact. For any questions regarding these comments, please contact Alexis Iwanisziw, SVP Policy & Communications, Inclusiv ([aiwanisziw@inclusiv.org](mailto:aiwanisziw@inclusiv.org)).

Sincerely,

A handwritten signature in dark ink, appearing to read 'Cathleen A. Mahon', with a long horizontal flourish extending to the right.

Cathleen A. Mahon  
CEO/President, Inclusiv