

TIM SCOTT, SOUTH CAROLINA, CHAIRMAN
ELIZABETH WARREN, MASSACHUSETTS, RANKING MEMBER

MIKE CRAPO, IDAHO
MIKE ROUNDS, SOUTH DAKOTA
THOM TILLIS, NORTH CAROLINA
JOHN KENNEDY, LOUISIANA
BILL HAGERTY, TENNESSEE
CYNTHIA LUMMIS, WYOMING
KATIE BOYD BRITT, ALABAMA
PETE RICKETTS, NEBRASKA
JIM BANKS, INDIANA
KEVIN CRAMER, NORTH DAKOTA
BERNIE MORENO, OHIO
DAVID McCORMICK, PENNSYLVANIA

JACK REED, RHODE ISLAND
MARK R. WARNER, VIRGINIA
CHRIS VAN HOLLEN, MARYLAND
CATHERINE CORTEZ MASTO, NEVADA
TINA SMITH, MINNESOTA
RAPHAEL G. WARNOCK, GEORGIA
ANDY KIM, NEW JERSEY
RUBEN GALLEGU, ARIZONA
LISA BLUNT ROCHESTER, DELAWARE
ANGELA D. ALSOBROOKS, MARYLAND

JANIE FAULKNER, STAFF DIRECTOR
JON DONENBERG, DEMOCRATIC STAFF DIRECTOR

United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

June 29, 2026

Kyle S. Hauptman
Chairman of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Chair Hauptman:

I write with concern regarding the National Credit Union Administration's (NCUA) "Deregulation Project." Launched in recent months, the Deregulation Project is a far-reaching initiative to reverse existing credit union regulations that have long protected the credit union system against financial shocks and ensured the proper stewardship of its members' funds. The NCUA is notably implementing this agenda with only a single board member in place after President Trump purported to fire the two Democratic Board Members. I therefore write to request information about the risks the Deregulation Project poses to the financial stability of the credit union system, especially credit union members, and the Board's authority to implement the project without a full Board in place.

In December 2025, the NCUA launched the Deregulation Project.¹ NCUA stated that this initiative was to review and revise the agency's regulations in alignment with the President's Executive Order, "Unleashing Prosperity Through Deregulation."² It committed to "propos[ing] changing or removing regulations" deemed "obsolete," "duplicative of statutory requirements," "intended to serve as guidance, not requirements," or "overly burdensome."³

Since then, the NCUA has issued eleven rounds of proposed regulatory changes as part of the Project, which in total repeals or scales back 31 rules.⁴ Some of the most troubling proposals include:

- Eliminating the segregated deposit and collateral requirements, which require credit unions to have adequate collateral when a credit union acts as a guarantor for a member.⁵

¹ U.S. National Credit Union Administration, "NCUA Announces Deregulation Project and First Round of Proposed Regulatory Changes," press release, December 10, 2025, <https://ncua.gov/newsroom/press-release/2025/ncua-announces-deregulation-project-and-first-round-proposed-regulatory-changes>.

² *Id.*

³ *Id.*

⁴ U.S. National Credit Union Administration, "Deregulation Project," <https://ncua.gov/news/deregulation-project>.

⁵ U.S. National Credit Union Administration, Federal Register Notice, "Suretyship and Guaranty; Segregated Deposit and Collateral," December 29, 2025, <https://www.federalregister.gov/documents/2025/12/29/2025-23857/suretyship-and-guaranty-segregated-deposit-and-collateral>.

Without this proposal, a credit union could experience losses if a debt obligation comes due and the credit union is holding insufficient collateral. If the credit union is unable to withstand these losses, the Share Insurance Fund would ultimately be on the hook.

- Eliminating nondiscrimination requirements stemming from the Fair Housing Act and the Equal Credit Opportunity Act (ECOA).⁶ While the Fair Housing Act and ECOA laws are still in effect, removing the NCUA's regulations introduces uncertainty for examiners assessing credit unions' obligations under these laws. Additionally, it signals that fair lending is not a priority for the agency.
- Eliminating the requirements on how disclosures related to a proposed merger between credit unions must be communicated to its members.⁷ Credit unions, unlike banks, are owned by its members and they ultimately vote to approve or reject a merger. If these disclosures are not presented in a clear and concise manner, members are unable to make an informed decision.
- Eliminating the requirement for federally-insured credit unions to give its members at least 30 days notice if it plans to end supplemental share insurance coverage.⁸ Reducing share insurance coverage puts members' shares at risk, especially if they do not have adequate time to restructure their accounts to ensure maximum coverage.
- Removing the requirement that new Board members obtain post-election training in finance and accounting.⁹ This rollback is particularly concerning, as most credit union board members are volunteers and are usually members of a community instead of banking or finance professionals.

Taken as a whole, these rollbacks threaten the stability of the credit union system.

In addition, these proposed rules come against a backdrop of broader deregulation of financial institutions by the Trump administration, including weakening capital requirements, rubber stamping mergers, eviscerating fair lending standards, and sidelining the Consumer Financial Protection Bureau, which oversees the largest credit unions.¹⁰ All of these actions are making our credit union system more unstable and vulnerable. This is particularly concerning given that the

⁶ U.S. National Credit Union Administration, Federal Register Notice, "Nondiscrimination Requirements," January 14, 2026, <https://www.federalregister.gov/documents/2026/01/14/2026-00591/nondiscrimination-requirements>.

⁷ U.S. National Credit Union Administration, Federal Register Notice, "Bank Conversions and Mergers, Subpart C-Merger of Insured Credit Unions Into Banks," April 22, 2026, <https://www.federalregister.gov/documents/2026/04/22/2026-07806/bank-conversions-and-mergers-subpart-c-merger-of-insured-credit-unions-into-banks>; U.S. National Credit Union Administration, Federal Register Notice, "Bank Conversions and Mergers, Subpart A-Conversion of Insured Credit Unions to Mutual Savings Banks," February 11, 2026, <https://www.federalregister.gov/documents/2026/02/11/2026-02763/bank-conversions-and-mergers-subpart-a-conversion-of-insured-credit-unions-to-mutual-savings-banks>.

⁸ U.S. National Credit Union Administration, Federal Register Notice, "Notice of Termination of Excess Insurance Coverage," January 28, 2026, <https://www.federalregister.gov/documents/2026/01/28/2026-01698/notice-of-termination-of-excess-insurance-coverage>.

⁹ U.S. National Credit Union Administration, Federal Register Notice, "Post-Election Training for New Board Members," February 25, 2026, <https://www.federalregister.gov/documents/2026/02/25/2026-03753/post-election-training-for-new-board-members>.

¹⁰ U.S. Senate Committee on Banking, Housing, and Urban Affairs, "At Hearing, Warren Presses Trump Regulators on Wall Street-First Agenda and Trump Crypto Corruption Amid Affordability Crisis," press release, February 26, 2026, <https://www.banking.senate.gov/newsroom/minority/at-hearing-warren-presses-trump-regulators-on-wall-street-first-agenda-and-trump-crypto-corruption-amid-affordability-crisis>.

credit union system was designed to serve people who have the least access to the traditional banking system.

Furthermore, it is unclear whether NCUA has the authority to implement the Deregulation Project while you serve as the NCUA's sole Board Member. Federal law states that the NCUA Board "shall consist of three members, who are broadly representative of the public interest, appointed by the President, by and with the advice and consent of the Senate."¹¹ The Board's regulations make clear that "[t]he agreement of at least two of the three Board members is required for any action by the Board."¹² But in April 2025, President Trump unlawfully fired NCUA Board Members Todd Harper and Tanya Otsuka, leaving you as the sole member. Their reinstatement has been put on hold while their claims are litigated in court.¹³ This raises serious questions about the legitimacy of any Deregulation Project proposals and other actions that were taken by a single member.

Your agency is crucially responsible for the safekeeping of the roughly \$2.5 trillion in assets in the credit union system and the more than 145 million members credit unions serve.¹⁴ It is critical that the NCUA maintain strong supervisory and regulatory safeguards to ensure the safety and soundness of the credit union system.

Given my concerns, I ask that you provide a briefing on the NCUA's deregulation project and respond to the following questions by July 13, 2026.

1. How did the NCUA determine which rules were and/or guidance were obsolete, duplicative, intended as guidance, and/or burdensome? Is the NCUA planning to propose changes to, or the removal of, any additional regulations? If so, which?
2. Of the proposals announced as part of the Deregulation Project, which were recommended by career supervisory staff, and which were initiated by political leadership? Of those initiated by political leadership, please provide the rationale offered to NCUA staff for each proposal?
3. Why did the NCUA conclude a separate "Deregulation Project" was needed for the agency, given the NCUA's participation in Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) process, which requires the federal banking regulators to review their regulations to identify rules that are outdated, unnecessary, or unduly burdensome, and NCUA's own three-year rolling review of its existing regulations?
4. For each proposal that eliminates or changes an existing rule or guidance document, provide the analysis the NCUA conducted to determine whether the changes being

¹¹ 12 U.S.C. § 1752a(b)(1).

¹² 12 C.F.R. § 791.2.

¹³ Banking Dive, "Judge reinstates fired NCUA members," Gabrielle Saulsbery, July 23, 2025, <https://www.bankingdive.com/news/judge-reinstates-fired-ncua-members-harper-otsuka-trump/753840/>; Banking Dive, "Fired NCUA board members sidelined again," Caitlin Mullen, July 28, 2025, <https://www.bankingdive.com/news/fired-ncua-board-members-sidelined-again-harper-otsuka-trump/754215/>.

¹⁴ National Credit Union Administration, "Quarterly Credit Union Data Summary," <https://ncua.gov/files/publications/analysis/quarterly-data-summary-2026-Q1.pdf>.

proposed would adversely affect the safety and soundness of the credit union system. If no analysis was conducted, why not?

5. For each proposal that eliminates or changes an existing rule or guidance document, provide the analysis the NCUA conducted to assess whether the changes being proposed would increase credit, liquidity, operational, and the concentration risk in the credit union system. If no analysis was conducted, why not?
6. What effect does NCUA expect the Deregulation Project to have on the Share Insurance Fund, and has the NCUA conducted a cumulative analysis of the impact of all pending deregulatory proposals, as opposed to solely evaluating each proposal in isolation?
7. Does the NCUA plan on issuing additional guidance to examiners in light of these changes, if and when they are finalized, to reduce the subjective risk determinations examiners may need to make without these rules in place? If not, why not?
8. Provide the legal analysis conducted by the NCUA to determine if a sole board member constitutes a quorum and has the authority to promulgate material policy changes, including proposing regulatory changes and eliminations as part of the Deregulation Project.
9. Will the NCUA commit to providing Congress with annual reporting on the effects of these deregulatory actions on credit union risk profiles, examination findings, and Share Insurance Fund exposure? If not, why not?

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs