

# Congress of the United States

Washington, DC 20515

April 29, 2025

The Honorable James Hagen  
Inspector General  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

Dear Inspector General Hagen:

On April 16, 2025, President Trump unlawfully fired NCUA Board Members Todd Harper and Tanya Otsuka. As a result, just one Board Member, Chairman Kyle Hauptman, remains at the NCUA.<sup>1</sup> These firings are part of the President's concerning attempts to skirt the rule of law, undermine independent agencies, and illegally purge the government of those who work for the American people.<sup>2</sup> The President's actions threaten to paralyze the Board, create unnecessary legal risk for the agency, and harm the stability of our nation's credit union system.

These actions also undermine the confidence in the NCUA's ability to serve the American people. As the U.S. Court of Appeals for the D.C. Circuit has recognized, "Independence from presidential control is arguably important if agencies charged with regulating financial institutions, such as the NCUA, are to successfully fulfill their responsibilities; people will likely have greater confidence in financial institutions if they believe that the regulation of these institutions is immune from political influence."

In light of President Trump's decision to fire two of the three Board Members without cause, we write to request information regarding the ability of the NCUA Board, and by extension the agency, to fulfill its mission with only one Board member. Specifically, we ask your office to investigate the NCUA's Chairman's authority to continue full agency operations with only one Board member, and if doing so complies with the spirit and letter of the Federal Credit Union Act and its implementing regulations, including 12 C.F.R. § 791.2.

The NCUA is an independent agency responsible for chartering and supervising federal credit unions, as well as insuring the deposits of credit union members. The NCUA Board plays a key role in the NCUA's operations: its three members are responsible for "setting policy, approving budgets and adopting rules and regulations."<sup>3</sup> By statute, the NCUA Board "shall consist of three members" and "a majority of the Board shall constitute a quorum."<sup>4</sup> The Board has broad authority to oversee federal credit unions, including the power to prescribe rules and regulations.<sup>5</sup> The Board's regulations make clear that "the agreement of at least two of the three

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<sup>1</sup> Reuters, "Trump fires Democratic board members of the credit union watchdog," Pete Schroeder, April 16, 2025, <https://www.reuters.com/world/us/trump-fires-democratic-board-members-credit-union-watchdog-statements-2025-04-16/>.

<sup>2</sup> *Swan v. Clinton*, 100 F.3d 973, 983 (D.C. Cir. 1996).

<sup>3</sup> National Credit Union Association, "Mission and Values," <https://ncua.gov/about/mission-values>; National Credit Union Administration, "Leadership," <https://ncua.gov/about/leadership>.

<sup>4</sup> 12 U.S.C. § 1752a

<sup>5</sup> 12 U.S.C. § 1766

Board members is required for any action by the Board.”<sup>6</sup> The regulations also provide that the Board cannot hold regular meetings if “a quorum is not available.”<sup>7</sup>

As the Inspector General for NCUA, you and your office are responsible for “preventing and detecting fraud, waste, abuse, and *mismanagement*” at NCUA, as well as “keeping...Congress fully and currently informed of significant issues and developments” at the NCUA.<sup>8</sup> To help us better understand the effect of the firings on the operations of the NCUA and its Board, and the legality of all actions taken by the NCUA since the firing of the two Board members, we ask that the NCUA Office of Inspector General (OIG) promptly conduct an investigation that addresses the following issues:

1. Please provide copies of all written communications and documents, including but not limited to, meeting schedules, records such as opinions from the NCUA’s general counsel, analysis of the NCUA’s delegations of authority, any other correspondence between NCUA officials, and between NCUA officials and White House or other administration officials, regarding the firings of Board Members Tanya Otsuka and Todd Harper and the implications of their firings on the operations of the NCUA.
  - A. What analysis, if any, did NCUA officials, White House or other administration officials, or other relevant parties conduct to assess the NCUA Board’s ability to fully act on both operational and administrative matters with only one Board member?
  - B. If no analysis was conducted, why not? How does the OIG believe the lack of analysis affects legal and other risks for the agency?
2. Please provide an outline of any actions taken by the NCUA Board on or after April 16, 2025. What specific federal laws, regulations, and NCUA policies and precedents governed those actions? Were all actions conducted in full compliance with relevant laws, regulations, and NCUA policies and precedents?
3. Please provide an analysis of how a Board consisting of a single Board member may affect the NCUA’s operations, especially as it pertains to chartering, supervising, and insuring credit unions.

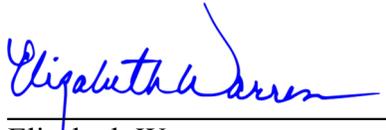
Sincerely,

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<sup>6</sup> 12 C.F.R. § 791.2

<sup>7</sup> 12 C.F.R. § 791.5

<sup>8</sup> National Credit Union Association, “About NCUA: Office of Inspector General,” <https://ncua.gov/about/inspector-general>.



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



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Maxine Waters  
Ranking Member  
Committee on Financial  
Services