



bankers' compliance group®

NCUA 2026 Supervisory Priorities*

On January 14, 2026, the NCUA issued a letter titled “NCUA’s 2026 Supervisory Priorities,” which is meant to support a tailored examination program by reducing burden for both federally insured credit unions and NCUA staff. Consistent with the agency’s no regulation-by-enforcement policy, its 2026 supervisory priorities are designed to help credit unions plan effectively for the coming year. NCUA 26-CU-01.

The NCUA’s 2026 Supervisory Priorities letter outlines the primary areas of focus for credit unions listed below.

Balance Sheet Management. To assess lending practices and overall credit risk, NCUA examiners will focus on lending activities and related risk-management practices. Examination efforts will be tailored to institution-specific risks and may include a review of:

- The adequacy of credit administration, including loan underwriting, loss mitigation programs (e.g., loan modifications and workouts), Allowance for Credit Loss (ACL) reserves and methodologies, and charge-off practices;
- Portfolio monitoring, including the management of any material credit risk concentrations; and
- Third-party risk-management practices, as appropriate, when lending, servicing, or collection functions are outsourced.

In addition, NCUA examiners will continue to assess a credit union’s ability to identify, measure, monitor, and control interest rate and liquidity risks, including the use of sound modeling practices, reasonable assumptions, and appropriately tiered stress scenarios. Reviews by examiners will focus on how credit unions incorporate these risks into governance frameworks, contingency funding plans, and strategic decision-making, including alignment between balance sheet structure, funding composition, and risk appetite.

Examiners will also assess whether the current and prospective sources of earnings are sufficient to support capital targets under a range of interest rate, credit, and liquidity stress scenarios. Examiner reviews may focus on policies, procedures, risk limits, and capital planning practices, including how credit unions incorporate interest rate risk, funding constraints, and concentration risks into their capital adequacy assessments. This supervisory approach will emphasize forward-looking analysis aligned with a credit union’s size, complexity, and risk profile.

* Janet Bonnefin has retired from the firm.

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Operational Risk Management. NCUA examiners will evaluate whether credit unions maintain effective governance, risk assessments, vendor management, and security frameworks to support payment system operations, protect member information, and ensure resilience against fraud and cyber threats.

Additionally, examiners will continue to assess a credit union's efforts to prevent and detect fraud, with particular emphasis on the adequacy of internal controls and proper separation of duties to mitigate insider abuse. The NCUA will also review its examination procedures to ensure fraud-related supervisory expectations remain aligned with the evolving fraud landscape.

Compliance Risk Management. Regulators will continue to implement provisions of the Anti-Money Laundering Act of 2020 designed to modernize and strengthen the U.S. Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regimes. Concurrently, FinCEN and the regulators will continue to evaluate ways to reduce BSA compliance burdens while helping financial institutions maintain effective, risk-based AML/CFT programs.

The emphasis in 2026 will be on evaluating the credit union's risk-based approach to BSA compliance and how well the AML/CFT program is tailored to the credit union's specific risk profile. NCUA examiners will consider whether credit unions focus their resources on the areas of greatest money laundering and terrorist financing risk and whether policies, procedures, and controls are effective at mitigating illicit financial activity risks.

To access the full NCUA's 2026 Supervisory Priorities letter, visit <https://ncua.gov/regulation-supervision/letters-credit-unions-other-guidance/ncuas-2026-supervisory-priorities>.

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