

January 26, 2026

LEGAL UPDATE

NCUA's 2026 Supervisory Priorities

On January 14, 2026, the National Credit Union Administration (“NCUA”) issued a [letter](#) (the “Letter”) outlining its annual supervisory priorities, including its updated examination procedures, and highlighting the areas it views as posing the highest risk to credit union members and the industry this year. The Letter notes that it is intended to be consistent with the agency’s “no regulation by enforcement” policy issued in 2025 as it will help credit unions plan for the year ahead. The Letter also noted NCUA’s commitment to reducing regulatory burden on credit unions through “more efficient and tailored examination[s]” and continuation of its risk-focused approach to examinations.

The table below lists the NCUA’s 2026 Supervisory Priorities, and how they compare to its 2025 Supervisory Priorities.

2025	2026
Credit Risk	Balance Sheet Management
Balance Sheet Management and Risk to Earnings and Net Worth	Operational Risk Management
Cybersecurity	Compliance Risk Management
Consumer Financial Protection	N/A

2026 Supervisory Priorities

The particular areas of focus for NCUA examiners in 2026, are summarized below:

BALANCE SHEET MANAGEMENT	
Lending	Lending and related risk-management practices, with focus on institution-specific risks, which may include sufficiency of credit administration, loan underwriting, loss mitigation programs (including loan modifications and workouts), allowance for credit loss reserves and methodologies, and charge-off practices. In addition, portfolio monitoring, including management of material credit risk concentrations, and third-party risk management practices to the extent lending, servicing, or collection functions are outsourced.

Sensitivity to Market Risk and Liquidity	Diversified funding strategies and liquidity risk management, as well as the ability to identify, measure, monitor, and control interest rate and liquidity risks through sound modeling practices, reasonable assumptions, and appropriately tiered scenarios. These risks will be reviewed for incorporation into governance frameworks, contingency funding plans, and strategic decision-making.
Earnings and Capital Adequacy	Sufficiency of current and prospective sources of earnings to support capital targets under a range of interest rate, credit, and liquidity stress scenarios. Focus on policies, procedures, risk limits, and capital planning practices, including how interest rate risk, funding constraints, and concentration risks are incorporated into capital adequacy assessments. Intended to be forward-looking aligned to size, complexity, and risk profile of the institution.
OPERATIONAL RISK MANAGEMENT	
Payment Systems	Governance, risk assessments, vendor management, and security frameworks to support payment system operations, protect member data, and ensure resilience against fraud and cyber threats in payments ecosystems.
Fraud Prevention and Detection	Overall efforts to deter and detect fraud, including adequacy of internal controls and separation of duties to guard against insider abuse.
COMPLIANCE RISK MANAGEMENT	
BSA/AML/CFT	Risk-based approach to BSA compliance, and how well the AML/CFT program is tailored to the risk profile of the institution, including consideration of appropriate focus on areas of greatest money laundering and terrorist financing risk, and whether policies, procedures, and controls are effective at mitigating illicit financial activity risks.

As made clear by the 2026 priorities, the focus of the NCUA will be on material financial risks to federal credit unions, which is consistent with public pronouncements made by leadership of each of the other federal banking agencies. Remaining areas of NCUA priority—including focus on fraud and cyber risks within the operational risk umbrella and BSA/AML within the compliance risk umbrella—demonstrate that the most traditional of non-financial risk areas remain under the supervisory microscope. Notably absent from the 2026 list is any mention of consumer compliance-related risks, a sharp deviation from the mission and focus of the agency under the prior Administration.

Credit unions supervised by the NCUA should ensure they carefully consider the NCUA’s Supervisory Priorities identified above. Before their next examination, credit unions should ensure they have policies and procedures in place that specifically account for the

effects of the current economic environment and the downstream impacts it may have on the entire institution. Engagement by senior management and boards of directors is critical, and the NCUA will expect credit union leadership to proactively address the potential impacts from these risks and actively monitoring those impacts as the year progresses.

* * * * *

Luse Gorman routinely advises credit unions on compliance issues and regulatory questions, and counsels those institutions on the impacts of new developments at the federal and state level. If you have any questions related to this Client Alert, please reach out to Jeffrey Cardone at (202) 274-2033 or by email at jcardone@luselaw.com, Michael Brown at (202) 274-2003 or by email at mbrown@luselaw.com, or Brendan Clegg at (202) 274-2034 or by email at bclegg@luselaw.com. To learn more [about our firm](#) and [services](#), [please visit our website](#).

© 2026 Luse Gorman, PC. Luse Gorman, PC is a Washington, DC-based law firm that specializes in representing domestic and foreign financial institutions in the United States. The information provided herein does not constitute legal advice and relates only to matters of federal law and not to any particular state law.

