

This transmittal log documents changes to the NSPM from version 5.2, issued June 8, 2017, to version 5.3. Changes are organized by section/topic and:

- Amend existing procedures to improve the consistency and efficacy of the examination and supervision program
- Provide clarification for existing procedures
- Amend procedures as a result of regulatory amendments or other agency directives

This log does not reflect technical amendments and minor grammatical changes. For a complete history of NSPM documentation, visit the **NSPM SharePoint site**.

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Administrative Remedies

Citation	Previous Content (v5.2)	New Content (v5.3)
Administrative Remedies > Document of Resolution > Extreme NEV Supervisory Test Results	[New content]	New section outlining supervisory requirements for Extreme NEV Supervisory Test Results (IRR) added to NSPM.
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Audits, Recordkeeping, and Fraud

Citation	Previous Content (v5.2)	New Content (v5.3)
Audits, Recordkeeping, and Fraud > Unacceptable Audits and Member Account Verifications	Prepare a DOR which provides a reasonable time period for the SC to correct the deficiencies	Prepare a DOR which provides a reasonable time period for the SC to correct the deficiencies, not longer than 120 days from the completion date of the exam
Audits, Recordkeeping, and Fraud > Unacceptable Audits and Member Account Verifications	Establish a follow-up supervision contact within 60 days of the last contact's completion date.	Complete a follow-up supervision contact within 60 days of the DOR due date.
Audits, Recordkeeping, and Fraud > Audit Report Review	Documenting the Audit Report Field staff will document their review of the audit report when conducting the next scheduled RATE review.	Documenting the Audit Report Field staff will document that they have reviewed the audit report in the credit union's RATE during the scheduled RATE review cycle. If field staff receive a requested audit report after the RATE review cycle closes, they should document their review in the next scheduled RATE review cycle. If an audit report relays material concerns that require an immediate onsite contact, examiners should note the concerns in the RATE review and contact their supervisor to schedule an onsite contact. Examiners may also upload an offsite supervision contact in AIREs to document any concerns noted in the audit report that cannot be fully documented in RATE, provided such issues do not require an immediate onsite contact.
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District Management

Citation	Previous Content (v5.2)	New Content (v5.3)
District Management > Budgeting and Scheduling Exams > NCUA Examination Scheduling Program > Responsibilities	Examiner requirement (scheduling): NCUA will schedule examinations based on the criteria established in the NCUA Examination Scheduling Program section of the NSPM	Examiner requirement (scheduling): NCUA will schedule examinations based on the criteria established in the NCUA Examination Scheduling Program section of the NSPM. To request any variance from the examination scheduling program, examiners will submit a written justification to the supervisory examiner for consideration. Examiners will document their justification for any variance request and any related approval or denial in the AIRES Confidential section.
District Management > Budgeting and Scheduling Exams > NCUA Examination Scheduling Program > Responsibilities	Supervisor requirement (exceptions): Supervisory examiners will evaluate variances in completion timeframes (examining a credit union more frequently than required by the criteria established in the NCUA Examination Scheduling Program section of the NSPM) on a case by case basis.	Supervisor requirement (exceptions): Supervisory examiners will review all requests for variances in completion timeframes (examining a credit union more or less frequently than required by the criteria established in the NCUA Examination Scheduling Program section of the NSPM), and will either deny the request and notify the examiner in writing, or forward the request to the ARDP for consideration.
District Management > Budgeting and Scheduling Exams > NCUA Examination Scheduling Program > Responsibilities	ARDP requirements (Exceptions) ARDPs will monitor the activities performed by supervisory examiners. They are responsible for monitoring examination timeframe exceptions, and reporting of their region's examination scheduling program. ARDPs must approve, in writing, any extension of the examination timeframes required by the criteria established in the NCUA Examination Scheduling Program section of the NSPM on a case by case basis.	ARDP requirements (Exceptions) ARDPs will monitor the activities performed by supervisory examiners. They are responsible for monitoring examination timeframe exceptions, and reporting of their region's examination scheduling program. ARDPs must approve, in writing, any variance of the examination timeframes required by the criteria established in the NCUA Examination Scheduling Program section of the NSPM.
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Federal Credit Union Program and Procedures

Citation	Previous Content (v5.2)	New Content (v5.3)
FCUs > Examination Planning > AIRES Exam Scope (Scope Module)	New content added to Examiner Responsibilities	Examiners must complete the Plans and Budget tab in the AIRES Scope module.
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Federally Insured, State Chartered Credit Union Program and Procedures

Citation	Previous Content (v5.2)	New Content (v5.3)
FISCUs > NCUA FISCU Program	See the Reviews of SSE Examinations section of the NSPM for timeframes for completing the subsequent onsite contact.	See the Reviews of SSA Examinations section of the NSPM for timeframes for completing the subsequent onsite contact.
FISCUs > NCUA FISCU Program > AIRES Scope	New content added to Examiner Responsibilities	Examiners must complete the Plans and Budget tab in the AIRES Scope module.
FISCUs > Joint Conferences	Joint examinations of FISCUs with a CAMEL rating of a 3, 4, or 5 will include a joint conference with a majority of the board of directors. NCUA staff will attend these meetings, appropriately addressing all NCUA concerns. Examiners will disclose the NCUA CAMEL ratings (components and composite) to the board both verbally and in writing via the standard form . The SSA examiner and NCUA EIC will hold an exit meeting in CAMEL 1 or 2 FISCUs...	Joint examinations of FISCUs with a CAMEL rating of a 3, 4, or 5 will include a joint conference with a majority of the board of directors. NCUA staff will attend these meetings, appropriately addressing all NCUA concerns. Examiners will disclose the NCUA CAMEL ratings (components and composite) to the board both verbally and in writing, as described in NCUA Letter to Credit Unions 11-CU-12, Disclosing CAMEL Ratings to Federally Insured State Credit Unions (FISCUs). Examiners may reformat the CAMEL Evaluation Form available in AIRES, provided that all the information is documented in the alternate format. [callout box] The standard form described in LCU 11-CU-12 is only required if the joint exam report does not reflect NCUA’s CAMEL rating or does not adequately justify NCUA’s rating. Field staff are not required to reiterate the CAMEL narrative and justification developed by the SSA if they are in agreement, but must document NCUA’s agreement with the content by documenting “NCUA concurs with the state supervisory authority’s assessment and justification for the CAMEL rating reflected in this exam report.” The SSA examiner and NCUA EIC will hold an exit meeting in CAMEL 1 or 2 FISCUs...
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Prompt Corrective Action

Citation	Previous Content (v5.2)	New Content (v5.3)
Prompt Corrective Action > PCA Classification > Net Worth Category Classification	Additionally, when NEV Supervisory Test results are extreme and a credit union is unable or unwilling to de-risk to a less than an extreme risk level, regions must follow a process that involves providing a recommendation to the NCUA Board to reclassify the credit union's net worth classification down two categories based upon safety and soundness (§702.102(b)).	Additionally, when NEV Supervisory Test results are extreme and a credit union is unable or unwilling to de-risk to a less than an extreme risk level, regions must follow a process that involves providing a recommendation to the NCUA Board to reclassify a “well capitalized” credit union as “adequately capitalized,” and require an “adequately capitalized” or “undercapitalized” credit union to comply with certain mandatory or discretionary supervisory actions as if it were in the next lower net worth category, based upon safety and soundness (§702.102(b)).
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Quality Assurance Program

Citation	Previous Content (v5.2)	New Content (v5.3)
Quality Assurance Program > Responsibilities > Supervisor Responsibilities	A Full Review of a state report will include a review of the NCUA WCC 26, the state regulator WCC 11, and the NCUA WCC 11, as applicable. Full Reviews of state examinations should not take place until the state regulator examination has been uploaded and the WCC 26 review completed by the NCUA examiner.	A Full Review of a state report will include a review of the NCUA WCC 26, the state regulator WCC 11, and the NCUA WCC 11 , as applicable. Full Reviews of state examinations should not take place until the state regulator examination has been uploaded and the WCC 26 review completed by the NCUA examiner. [added bold for emphasis]
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Regulatory Waivers and Other Regulatory Actions

Citation	Previous Content (v5.2)	New Content (v5.3)
Regulatory Waivers and other Regulatory Actions	All content related to member business loan rules and regulations no longer in effect	Removed content and templates
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Unauthorized Access

Citation	Previous Content (v5.2)	New Content (v5.3)
Unauthorized Access to Member Information	Revised all content in section to add greater detail, provide additional templates	Revised all content in section to add greater detail, provide additional templates
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