

This transmittal log documents changes to the NSPM from version 4.1, issued DATE 2016, to version 5.0. 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 (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section

Audits, Recordkeeping, and Fraud

Citation	Previous Content (v4.1)	New Content (v5.0)
Audits, Recordkeeping, and Fraud > Significant Recordkeeping Concerns	<ul style="list-style-type: none">- Complete an onsite follow-up supervision contact within 60 days of the last contact’s completion date- Conduct an onsite supervision contact every 60 days (from the time the problems were identified) until all problems are resolved<ul style="list-style-type: none">- The supervisor must approve in writing any extension beyond 60 days- The ARDP must approve in writing any extensions beyond 90 days with notification to DOS- The examiner must document any extensions in the Confidential Section	<ul style="list-style-type: none">- Complete an onsite follow-up supervision contact within 90 days of the last contact’s completion date- Conduct an onsite supervision contact every 90 days (from the time the problems were identified) until all problems are resolved<ul style="list-style-type: none">- The supervisor must approve in writing any extension beyond 90 days with notification to the ARDP and DOS- The examiner must document any extensions in the Confidential Section
Audits, Recordkeeping, and Fraud > Audit Report Review	<i>N/A (new content added)</i>	<p>Audit Report Review Field staff are responsible for reviewing a credit union’s Profile each quarter during the Call Report or RATE review to determine whether the credit union has received a new audit which fulfills the requirements of Part 715 or Part 741 of NCUA’s rules and regulations. If the Profile indicates a new audit has been completed, field staff will request a copy of the audit within 10 business days of reviewing the Profile.</p> <p>Obtaining an Audit Report For audits performed by the supervisory committee, examiners will obtain the audit report directly from the supervisory committee.</p> <p>For audits conducted by external auditors, examiners need to obtain a copy of the audit report directly from the external auditor. Unless there is an existing arrangement between the credit union, field staff, and the auditor, or an existing working relationship field staff has with the auditor, field staff should first contact the supervisory committee to determine the supervisory committee’s preference for making the request of the external auditor - that is, would the supervisory committee prefer to make the request, or needs to because the audit firm will not release the audit report otherwise, or is it okay for field staff to contact the auditor directly to make the request.</p> <p>In either case, the external auditor needs to send the audit report directly to the examiner. If an auditor refuses to provide an audit report directly to the examiner, even at the request of the supervisory committee, or wants to charge a fee to provide a copy, examiners should consult with their supervisor regarding a course of action (such as ensuring the credit union is okay with the fee or scheduling a meeting with the auditor to review the audit).</p>

Audits, Recordkeeping, and Fraud

Citation	Previous Content (v4.1)	New Content (v5.0)
		<p>Reviewing the Audit Report</p> <p>Upon receiving the report, field staff will read the audit report to determine if there are any problems with the credit union. Field staff should adjust supervision plans and exam scoping as applicable, and follow up on any material problems identified by discussing them with the supervisory committee or credit union management and/or scheduling a supervision contact as warranted.</p> <p>A review of the audit workpapers is not required as part of the review of the audit report required under this policy. As part of offsite supervision or pre-exam planning, NCUA has the discretion to request and review the audit workpapers at any time – however, the external auditor may require them to be reviewed onsite.</p> <p>The time associated with requesting and reviewing an audit report under this policy can be charged to offsite supervision or pre-exam planning.</p>

BSA Enforcement

Citation	Previous Content (v4.1)	New Content (v5.0)
BSA Enforcement > BSA Violations > BSA Citations	N/A (new content added)	Added before each table of citations: Section 748 citations in the table below appear in 12 CFR or in 31 CFR. Depending on the nature of a violation, a citation may be designated as BSA or BSA-S (Bank Secrecy Act – Significant). Refer to the definition of “significant BSA violations” in NCUA Instruction 5001.06, Bank Secrecy Act Compliance for further clarification.
BSA Enforcement > Suspicious Activity Report	Supervisors and regional DOS: will monitor significant SAR filings quarterly to determine if additional or enhanced supervision is required.	[Bullet removed]
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Change of Officials

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section

Corporate Credit Unions

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section

CUSO Reviews

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section

CUSO Reviews

Citation	Previous Content (v4.1)	New Content (v5.0)
CUSO Reviews > General Responsibilities	<p>Regional Office</p> <p>Each year, the DOS director will solicit CUSO recommendations from NCUA staff and each SSA in the region. Regional Directors, along with the ARDP and ARPO, will determine which CUSOs will receive a review in the upcoming year as outlined in in this section of the NSPM unless risk factors warrant immediate scheduling. The Regional Director’s decision to direct CUSO reviews will be based on SSA and field staff recommendations, a CUSO’s overall risk profile, and the availability of staff resources. The DOS director is also responsible for compiling and distributing the annual list of CUSO reviews to SEs, DSAs, and E&I.</p> <p>DOS will process CUSO reports and review for quality. DOS staff is responsible for coordinating report actions with the reviewer-in-charge (RIC), supervisor, SSAs, and CUSO officials. DOS staff will coordinate report responses with the CUSO, SSAs, and the RIC and will finalize and distribute draft and final reports to internal (regional, central offices, E&I) and external (CUSO, SSA, credit union owners/investors) recipients.</p>	<p>Yearly, regions will solicit CUSO recommendations from NCUA staff and each SSA in the region. During the annual resource budgeting process, ARDPs will collectively determine which CUSOs will receive on-site CUSO reviews based on SSA and field staff recommendations, a CUSO’s overall risk profile (identified through CUSO Registry information), and the availability of staff resources.</p> <p>DOS staff are responsible for:</p> <ul style="list-style-type: none">- Coordinating report actions with the examiner-in-charge, supervisor, SSAs, and CUSO officials- Coordinating report responses with the CUSO, SSAs, and the EIC- Finalizing and distributing draft and final reports to internal (regional, central offices, E&I) and external (CUSO, SSA, credit union owners/investors) recipients
CUSO Reviews > Selecting CUSOs for Review	<p>Selecting CUSOs for Review</p> <p>Regions will solicit recommendations for CUSO reviews from the field each year during the annual resource budgeting process. Recommendations should come from examiners, specialists, and PCOs (through their supervisor). The region will also solicit recommendations for CUSO reviews from each SSA in the region.</p> <p>Regional Directors, with input from DOS staff, ARDP and ARDO, will determine which CUSOs will be scheduled and budgeted for review. Consideration will be given to staff recommendations, a CUSO’s overall risk profile, the availability of staff resources, and SSA participation. The final selection of CUSOs will be based on potential or emerging risks resulting from the services the CUSO provides, impact to the credit unions served by the CUSO, and any wide-ranging regional or national impact. Regions will include the CUSO review list with the annual resource budget submission and notify regional SEs and the DSA.</p> <p>On a quarterly basis, regions will provide the following information in the quarterly workload memo to E&I:</p> <ul style="list-style-type: none">- Changes (additions or deletions) to the list of CUSOs scheduled for a review- Anticipated dates for completion of CUSO reviews for the upcoming quarter	<p>Selecting, Scheduling, & Resourcing CUSO Reviews</p> <p>Regions will solicit recommendations for CUSO reviews from the field annually. Recommendations should come from examiners, specialists, and PCOs (through their supervisors). The region will also solicit recommendations for CUSO reviews from each SSA in the region and will review CUSO Registry reports to identify CUSOs with any wide-ranging regional or national impact.</p> <p>During the annual resource budgeting meeting, ARPDs will review and discuss CUSOs presenting potential risk to credit unions and identify:</p> <ul style="list-style-type: none">- CUSOs requiring cross-regional coordination and staffing, including identifying the region that will be primarily responsible for scheduling and staffing the review as well as any specialized resources necessary- CUSOs that will receive reviews staffed and coordinated within the region, including identifying the supervisor (SE or DSA) responsible for scheduling and staffing the review <p>The final selection of CUSOs for each of the review categories above will be based on potential or emerging risks resulting from the services the CUSO provides, the CUSO’s geographical footprint, and the systemic risk the CUSO’s operation may pose to credit unions regionally or nationwide.</p> <p>On a quarterly basis, regions will provide the following information in the quarterly workload memo to E&I:</p> <ul style="list-style-type: none">- Changes (additions or deletions) to the list of CUSOs scheduled for a review- Anticipated dates for completion of CUSO reviews for the upcoming quarter. <p>ONES will normally schedule and staff all corporate CUSO reviews based on ONES procedures.</p>
<u>CUSO Reviews > Scheduling and Staffing</u>	<p>The SE for the area where a CUSO’s main office is physically located will normally be responsible for scheduling and staffing the review. However, the Regional Director can assign the responsibilities for conducting a CUSO review to DSADivision of Special Actions based on the severity of the issues, the complexity of the products and services provided, and the systemic risk the CUSO’s operation may pose to credit unions regionally or nationwide. In these cases, the DSA will schedule and staff the CUSO review. When reviews are directed under the DSA, the DSA will act as supervisor for the RIC and will execute the supervisor responsibilities outlined in this section of the NSPM.</p> <p>Supervisors responsible for a CUSO review may request expertise outside of their group or the region through appropriate channels. This may be an opportunity to bring in SMEs or other specialized resources available in the region or E&IOffice of Examination and Insurance (e.g., ISOs, regional lending specialists, RISOs, etc.).</p> <p>ONES will normally schedule and staff all corporate CUSO reviews based on ONES procedures.</p>	<p>Separate section deleted and combined into "Selecting, Scheduling and Resourcing" section.</p>

CUSO Reviews

Citation	Previous Content (v4.1)	New Content (v5.0)
<u>CUSO Reviews > Scope of Review</u>	<p>When conducting a CUSO review, examiners should consult chapter 25 of the Examiner’s Guide for review procedures. The RIC should generally design a review to determine regulatory compliance, assess the risk to investing or lending credit unions, and assess potential risks to credit unions that use the CUSO’s products or services.</p> <p>NCUA staff conducting CUSO reviews should use the CUSO review scoping documents as outlined in the Examiner's Guide, which include core and specific review elements. The core checklist includes CUSO review steps common to all CUSOs regardless of service type. These review steps are based on requirements outlined in Part 712 of NCUA rules and regulations.</p> <p>Chapter 7 of the Examiner's Guide also provides specific review scope documents to assist the RIC. These outline review areas based on the products or services provided by the CUSO (e.g., MBL, mortgage loan origination, IS&T, investment services, etc.). These scoping documents are to be used as a guide; reviewers have the flexibility to eliminate, add, or revise scope elements as necessary.</p> <p>Some issues identified during a CUSO review may need to be addressed directly with individual credit unions that invest in or lend to the CUSO. For example, if a federal credit union is over the statutory limit for investments in or loans to the CUSO, or if a credit union does not have written agreement with the CUSO as required by regulation, the issue should be addressed directly with the credit union. When reviewing finalized CUSO reports, DOS will bring all such concerns to the attention of the SE and to the assigned examiner of the credit union(s) that invest in or lend to the CUSO.</p>	<p>NCUA staff conducting CUSO reviews should use the CUSO review scope workbook outlined in Bulletin 5060B (August 9, 2016). The CUSO review scope workbook includes CUSO review steps common to all CUSOs regardless of service type. These review steps are, in large part, based on requirements outlined in Part 712 of NCUA rules and regulations.</p> <p>[callout: Regional supervisors responsible for a CUSO review may request expertise outside of their group. This may be an opportunity to bring in SMEs or other specialized resources available in the region (e.g., regional lending specialists, RISOs, etc.).]</p> <p>The CUSO review scope workbook also provides specific review scope steps based on the products or services provided by the CUSO (e.g., MBL, mortgage loan origination, IS&T, investment services, etc.). While the scope workbook is intended to provide more consistency during CUSO reviews, the examiner in charge (EIC) has the flexibility to customize the scope as needed. Not all scope steps outlined in the workbook are required; each scope should be commensurate with the size and complexity of the CUSO being reviewed.</p> <p>The EIC should generally design the review to determine regulatory compliance, assess the risk to investing or lending credit unions, and assess potential risks to credit unions that use the CUSO’s products or services. Examiners can also consult the CUSO section of the Examiner’s Guide for more information regarding the risks CUSOs can pose to credit unions.</p> <p>As part of the scheduling process, the examiner will send the CUSO a pre-review letter (add hyperlink to template letter) outlining goals, staff, timelines, etc. approximately 30 days before the start of the review.</p>
		[callout: Some issues identified during a CUSO review may need to be addressed directly with individual credit unions that invest in or lend to the CUSO. For example, if a federal credit union is over the statutory limit for investments in or loans to the CUSO, or if a credit union does not have written agreement with the CUSO as required by regulation, the issue should be addressed directly with the credit union. When reviewing finalized CUSO reports, DOS will bring all such concerns to the attention of the SE and to the assigned examiner of the credit union(s) that invest in or lend to the CUSO.]
<u>CUSO Reviews > Draft Review Reports</u>	No change to previous text.	Callout added: If a CUSO is unable or unwilling to respond to NCUA, the agency will issue the report and include an indication that the CUSO did not provide a response. The EIC will work with CUSO management to a reasonable extent to discuss the sufficiency of management’s response. If no agreement can be reached, the finalization and distribution of the report will be handled on a case-by-case basis in consultation with regional management.
<u>CUSO Reviews > Final Review Reports</u>	SSAs that regulate credit unions which use products or services provided by the CUSO	SSAs that regulate credit unions which use products or services provided by the CUSO. (Obtain the list of affected SSAs from information in the CUSO Registry) .
<u>CUSO Reviews > Follow-up Reviews</u>	Once the draft follow-up report is finalized; the RIC will forward a copy of the report to their supervisor. If the supervisor finds the draft report acceptable, the RIC will issue the final follow-up report to CUSO officials without prior review by the regional office, unless serious concerns exist. If serious concerns exist, the RIC and their supervisor will work with the regional office to determine the best method of distributing the follow up report on a case-by-case basis.	Once the draft follow-up report is finalized; the EIC will forward a copy of the report to their supervisor for initial review. Upon review and approval, the supervisor will forward the draft follow-up report to DOS mail. DOS will log the item and review it within 14 days. The responsible DOS analyst, working with the RIC and the RIC’s supervisor, will review, edit, and clarify the report as necessary.
<u>CUSO Reviews > Management Conference</u>	[no change to text; added callout]	[callout added after first paragraph: Depending on the severity of the issues and the response of the CUSO’s management team, the EIC may need to schedule a conference with CUSO officials prior to the distribution of the report to discuss proper corrective action. The EIC should discuss this option with and get concurrence from their supervisor prior to scheduling.]

Derivatives Authority

Citation	Previous Content (v4.1)
N/A	No change in section

District Management

Citation	Previous Content (v4.1)	New Content (v5.0)
<i>District Management > Joint Conferences and Exit Meetings</i>	... however, examiners must make credit unions aware of the option of holding a joint conference by offering a joint conference to the board chair (or their designee, not to include a credit union employee)...	... however, examiners must make credit unions aware of the option of holding a joint conference by offering a joint conference to the board chair (or their board member designee, not to include a credit union employee)...
<i>District Management > Joint Conferences and Exit Meetings</i>	Attendance at an exit meeting generally consists of top management, key staff, and possibly one or more officials. [end]	Attendance at an exit meeting generally consists of top management, key staff, and possibly one or more officials. The examiner will provide adequate information to allow the recipients to make an informed decision regarding whether any of the officials would like to participate in the exit meeting or have a joint conference. If material information arises that has not been presented to managers, field staff may reschedule the joint conference, exit meeting, or release of the examination report until the information is presented, or may conduct a follow-up meeting. Examiners must obtain supervisor approval if they exceed the exam completion parameters addressed in the District Management section of the NSPM. [callout: Key assertions may be withheld from management in the event they merit discussion directly with a credit union board of directors. An example of such a circumstance is suspected fraud.]
<i>District Management > Administrative Items > Team Member Responsibilities</i>	Scope team export file including completed AIRES Scope module (Corporate Examiner Work Center for corporate exams), comments on the final risk ratings, and recommended areas for review (when completing the module and areas of review, all team members will include their SME area in parenthesis, when applicable , next to their initials in the “Done by” column)	Scope team export file including completed AIRES Scope module (Corporate Examiner Work Center for corporate exams), comments on the final risk ratings, and recommended areas for review (when completing the module and areas of review, all team members with an SME designation will include their designation, in parenthesis, next to their initials in the “Done by” column)
<i>District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program</i>	<i>Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content</i>	NCUA’s examination scheduling program incorporates an extended examination cycle for eligible credit unions. The examination cycle does not limit NCUA’s authority to examine any federally insured credit union as frequently as the agency deems necessary. NCUA will consider financial trends, risks, and other facts or circumstances to determine if a more frequent examination or supervision contact is required. [Call-out]: The start date for an exam is the first date an examiner charges time to WCC 10 or WCC 11. An exam start date will coincide with the first date that exam work is conducted onsite or offsite. Examiners must ensure the AIRES start date is consistent with this definition.

District Management

Citation	Previous Content (v4.1)	New Content (v5.0)
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	<p>Federal Credit Unions</p> <p>Examinations for federal credit unions eligible for an extended cycle will begin between 14 and 20 months from the prior examination completion date. Examinations for all other federal credit unions will begin between 8 and 12 months from the prior examination completion date. A federal credit union is eligible for an extended examination cycle if it meets all of the following criteria:</p> <ul style="list-style-type: none">- CAMEL code 1 or 2, both in composite and management rating components- Assets less than \$1 billion“Well capitalized” per prompt corrective action regulations- No outstanding documents of resolution items related to significant recordkeeping deficiencies, and- Not operating under a formal or informal enforcement or administrative order, such as a cease and desist order, letter of understanding and agreement, preliminary warning letter, or PCA directive <p>Small credit unions with limited segregation of duties that are otherwise eligible for an extended exam cycle may receive more frequent examinations on a random sample basis.</p> <p>[Call-Out]: The CAMEL criteria is based on the CAMEL rating in effect at budget time. The criteria for asset size is based on the March 31st 5300 Call Report in the preceding calendar year.</p>
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	<p>Federally Insured, State-Chartered Credit Unions</p> <p>Federally insured, state-chartered credit unions meeting any one of the following criteria will receive NCUA exams that will begin between 8 and 12 months from the prior exam completion date:</p> <ul style="list-style-type: none">- Assets greater than \$1 billion- Composite NCUA CAMEL code 4 or 5 with assets greater than \$50 million, or- Composite NCUA CAMEL code 3 with assets greater than \$250 million <p>All other federally insured, state-chartered credit unions will receive an NCUA examination based on risk and emerging trends, including small credit unions with internal control weaknesses, or on a sample basis as part of the agency’s overall due diligence.</p> <p>NCUA will make every effort to conduct examinations of federally insured, state-chartered credit unions jointly with the appropriate state supervisory authority, as long as the time between examinations does not exceed NCUA's needs as insurer. NCUA will only conduct an independent insurance review when a joint examination cannot be coordinated with the state supervisory authority.</p>
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	<p>Corporate Credit Unions</p> <p>All corporate credit unions must be examined once each calendar year, regardless of asset size. For corporate credit unions, the maximum time between completion dates is 12 months unless the deputy director approves an extension.</p>

District Management

Citation	Previous Content (v4.1)	New Content (v5.0)
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program > Responsibilities	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	Examiners Scheduling: NCUA will schedule examinations based on the criteria established in the NCUA Examination Scheduling Program section of the NSPM, or more frequently when warranted. Budgeting: Examiners will determine their plans for examining and supervising federally insured credit unions scheduled for an examination in each calendar year. During the annual resource budgeting process (or more frequently, based on Call Report and other information), examiners will re-evaluate and affirm their plans for each credit union for the following year. The information will be submitted to the assigned supervisory examiner for inclusion in the resource budget. Monitoring: Examiners will monitor and supervise federally insured credit unions consistent with their size, complexity, condition and timing of the next examination. Changes: Examiners may change their exam and supervision plans at any time if circumstances warrant. Changes will be made through the assigned supervisory examiner.
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program > Responsibilities	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	Supervisors Oversight: Supervisory examiners will monitor their examiners’ resource allocation plans for appropriateness and consistency with the appropriate scheduling program. They will evaluate scheduling changes throughout the year to ensure they meet budgetary goals and maintain a results oriented examination program. Budgeting: Supervisory examiners will develop the annual resource budget for their assigned credit unions using the information provided by examiners. The process will include an analysis of the level of supervision, timing of examinations, balancing of the year-to-year workload, and coordination with the state supervisors for FISCUs (to the extent possible). Reporting: ESupervisory examiners will record and report the scheduling information for their assigned credit unions during the budget process and as changes are made during the year. 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.
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program > Responsibilities	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	ARDPs Oversight: ARDPs will evaluate the information submitted by the supervisory examiners for reasonableness and ensure it accurately reflects the region’s examination scheduling needs and risk profile. 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.
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program > Responsibilities	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	Regional Director Regional directors are responsible for monitoring exceptions and variances in the program to ensure they are reasonable. They are also responsible for program completion.

District Management

Citation	Previous Content (v4.1)	New Content (v5.0)
District Management > Budgeting and Scheduling Examination Work > NCUA Scheduling Examination Program > Responsibilities	Sections pertaining to the NCUA Examination Scheduling Program were deleted from NSPM 4.1 and replaced with new content	E&I E&I will oversee the program for consistency and quality. Oversight will include monitoring of examination completion averages, analysis of examinations completed outside of the minimum and maximum parameters, and review of scheduling information submitted by the region.
District Management > Administrative Items > Notifying a credit union of an Examination/Supervision Contact	Examiners should provide as much advance notice as possible before starting an examination/supervision contact. When feasible, examiners should give credit union officials a minimum notice of five working days. As part of the notification process, examiners will provide the appropriate pre-examination letter (RFE or SCUPE) found in the AIRES Exam Directory under Available Template Files. Examiners will send this letter a minimum of five working days prior to the start of an examination/supervision contact.	<p>When NCUA is leading an examination, examiners should provide as much advance notice as possible before starting an examination/supervision contact. Unless fraud is suspected or other special circumstances exist, examiners will give credit union officials a minimum notice of four weeks. NCUA management must approve notification periods shorter than four weeks. Each region will specify at what level management approval is required. This approval will be documented in the Confidential Section of the report.</p> <p>For joint FISCO exams, the NCUA EIC should make every effort to coordinate with the SSA EIC to ensure that an all-inclusive "Items Needed" list is provided to the FISCO with as much advance notice as possible.</p> <p>[Call-out]: NCUA management must approve notification periods shorter than four weeks.</p> <p>As part of the notification process, examiners will provide the appropriate pre-examination letter (RFE or SCUPE) found in the AIRES Exam Directory under Available Template Files. This letter should be customized to only request items unique and necessary to address the scope and risk profile for each examination.</p> <p>Credit unions should receive the “Items Needed” list no less than four weeks in advance of the actual start date of the exam, whether onsite or offsite. Examiners do not need credit union approval of examination scheduling, but should reach agreement whenever possible to minimize disruption to a credit union and to ensure critical staff members are available while examiners are on site.</p> <p>With supervisory approval, examiners may start an examination or supervision contact without providing notice when the EIC plans to conduct a surprise contact due to weak internal controls or when supervisory timeliness is warranted.</p>
District Management > Call Report, Trending Analysis, and Rate> Field Staff Responsibilities	Added new bullet to Field Staff Responsibilities.	Field Staff Responsibilities <ul style="list-style-type: none">Review the credit union's Profile each quarter during the Call Report or RATE review to determine whether the credit union has received a new audit which fulfills the requirements of Part 715 or Part 741 of NCUA’s rules and regulations. <p>If the Profile indicates a new audit has been completed, field staff will request a copy of the audit within 10 business days of reviewing the Profile. Field staff will request and review a copy of the audit report as described in the NSPM.</p>
District Management > Administrative Items > Timeframe to Complete an Examination/Supervision Contact	The start date is the date listed as the first day onsite in the Exam Management Console (EMC) in AIRES.	The start date is the first date an examiner charges time to WCC 10 or WCC 11 (for an exam), or WCC 22 or 23 (for a supervision contact). An exam start date will coincide with the first date that exam work is conducted onsite or offsite. Examiners must ensure the AIRES start date is consistent with this definition.

Exam Complaints

Citation	Previous Content (v4.1)
N/A	No change in section

Exam Report Writing

Citation	Previous Content (v4.1)	New Content (v5.0)
Exam Report Writing	Migrated content from Exam Report Writing to the Examiner’s Guide	None
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Federal Credit Union Program and Procedures

Citation	Previous Content (v4.1)	New Content (v5.0)
FCUs > OCP/Regional Office Fair Lending Examinations and Supervision Contact Coordination	Office of Consumer Protection (OCP)	Changed throughout NSPM to "Office of Consumer Financial Protection and Access (OCFPA)"
FCUs > Examination Planning > AIRES Exam Scope (Scope Module)	A comprehensive scope will enable the examiner of the next examination to become familiar with the history of the credit union in a shorter amount of time. When completing the Scope module and areas of review, all team members will include their SME area in parenthesis, when applicable, next to their initials in the “Done by” column.	A comprehensive scope will enable the examiner of the next examination to become familiar with the history of the credit union in a shorter amount of time. When completing the Scope module and areas of review, all team members with an SME designation will include their designation, in parenthesis, next to their initials in the “Done by” column.
<u>FCUs > Examination Planning</u>	Examination Planning Planning and scoping is an integral component of the risk-focused examination program. An appropriate assessment of risk will result in an effective allocation of resources based on the level and type of risk present in the credit union.	<i>Examination Planning</i> Advance pre-planning is critical for effective examinations. Poor planning before going onsite often leads to unnecessary burden on credit unions and miscommunication between NCUA and credit union staff. For example, each “Items Needed” list must be customized to only request items unique and necessary to address the scope and risk profile for each credit union exam. Examiners must keep a copy of the customized "Items Needed" list within the AIRES file so it becomes part of the administrative record. Failing to pre-plan can cause frustration for credit unions that spend significant amounts of time gathering information that an examiner does not review. <i>Pre-Exam Planning Hours</i> Examiners will use WCC 94, Pre-Exam Planning FCU, on weekly time reports to capture time spent pre-planning a federal credit union examination. These hours are separate from, and in addition to, the budgeted hours for examining a credit union. Examiners will document their pre-planning activities with the Pre-Exam Planning Procedures Checklist and upload it with the examination. Pre-exam hours must be recorded for each completed WCC 10 exam. Exceptions to the budgeted time must be approved in writing by a supervisor, in advance. [Call-Out]: The Pre-Exam Planning Procedures Checklist template is located in the AIRES Exam Directory under Available Template Files. <i>Pre-Exam Planning Procedures</i> Examiners will start the pre-planning exam process by opening an AIRES exam WCC 10 for a credit union and charging the hours to WCC 94, Pre-Exam Planning FCU, in the TMS. The AIRES Pre-Exam Planning Procedures Checklist outlines specific procedures. [Call-Out]: Examiners will comply with the latest version of NCUA Instruction 13500.09, Security of Sensitive Information.

Federal Credit Union Program and Procedures

Citation	Previous Content (v4.1)	New Content (v5.0)
<u>FCUs > Examination Planning > Preliminary Risk Assessment</u>	<p>[Call-Out:]Examiners do not complete a Preliminary Risk Assessment for defined-scope examinations. Instead, an examiner will check the SCUPEP box in the Preliminary Risk Assessment tab, which will gray out the input fields on the tab.</p> <p>The preliminary risk assessment drives the initial scoping for the risk-based examination. This assessment is documented in the preliminary risk assessment tab of the AIRES Scope module.</p> <p>Examiners will focus on current and emerging risk indicators and evaluate preliminary risks. At a minimum, examiners will review and document each risk area in the AIRES Scope module by reviewing the following items: At a minimum, examiners will review and document each risk area in the AIRES Scope module by reviewing the following items:</p> <ul style="list-style-type: none">• Previous examination• Most recent FPR and any adverse financial trends in key areas, significant changes in the balance sheet structure, significant growth patterns, and significant changes in loan, investment, or share products• Areas of risk triggered by the most recent national and/or regional risk reports for the associated credit union• Outstanding administrative action(s) <p>Other items to consider include:</p> <ul style="list-style-type: none">• Regional office correspondence• Regulatory waivers• Issues related to the credit union’s field of membership• Mergers• External audit reports (as applicable)• Economic information• AIRES standard query reports• Additional prior examinations and supervision contacts <p>[Call-Out] For guidance on how to access economic information outside of what may be included in AIRES, see NCUA Instruction 5500, How to Access Economic Reports and Information Using Economy.com (Feb. 10, 2004).</p>	<p>The preliminary risk assessment drives the initial scoping for a risk-based examination. This assessment is documented in the preliminary risk assessment tab of the AIRES Scope module. Examiners will focus on current and emerging risk indicators and evaluate preliminary risks.</p> <p>[Call-Out]: Examiners do not complete a preliminary risk assessment for defined-scope examinations. For these exams, an examiner will check the SCUPEP box in the Preliminary Risk Assessment tab, which will gray out the input fields on the tab.</p>
<u>FCU > FCU Supervision Contacts > Onsite Supervision Contacts</u>	<p>Credit unions with significant recordkeeping concerns require an onsite super-vision contact focused on ensuring adequate attention to and correction of problems. The examiner will complete a follow up supervision contact within 60 days from the last contact's completion date. Examiners will continue to make on-site contacts every 60 days until resolution of all identified problems. The supervisor must approve in writing any extensions beyond 60 days. The ARDP must approve in writing any extensions beyond 90 days with notification to DOS. The examiner must document any extensions in the Confidential Section. Refer to the NSPM for additional guidance for performing supervision contacts for credit unions with significant recordkeeping concerns.</p>	<p>Credit unions with significant recordkeeping concerns require an onsite super-vision contact focused on ensuring adequate attention to and correction of problems. See the Significant Recordkeeping Concerns section of the NSPM for additional guidance for performing supervision contacts for credit unions that have significant recordkeeping concerns.</p>

Federally Insured, State Chartered Credit Union Program and Procedures

Citation	Previous Content (v4.1)	New Content (v5.0)
FISCUs > Supervision Contacts > Follow-Up Exams for Troubled/Problem FISCU (WCC 23)	[bullet] Any expansion beyond the SCUEP defined-scope procedures, including how and why the scope was expanded, documenting supervisor approval in the Miscellaneous Exam Considerations section (if applicable)	[bullet removed]
FISCUs > NCUA FISCU Program > AIRES Scope	When completing the Scope module and areas of review, all team members will include their SME area in parenthesis, when applicable , next to their initials in the “Done by” column.	When completing the Scope module and areas of review, all team members with an SME designation will include their designation, in parenthesis, next to their initials in the “Done by” column.
<i>FISCUs > NCUA FISCU Program > Joint Scoping</i>	When completing the Scope module and areas of review, all NCUA team members will include their SME area in parenthesis, when applicable , next to their initials in the “Done by” column of the module.	When completing the Scope module and areas of review, all team members with an SME designation will include their designation, in parenthesis, next to their initials in the “Done by” column.
FISCUs > FISCU Program > Examination and Supervision Planning and Scoping renamed to: <i>FISCUs > Examination Planning</i>	Planning and scoping is an integral component of the risk-focused examination program. An appropriate assessment of risk will result in an effective allocation of resources based on the level and type of risk present in the credit union.	Examination Planning Advance pre-planning is critical for effective examinations. Poor planning before going onsite often leads to unnecessary burden on credit unions and miscommunication between NCUA and credit union staff. For example, each “Items Needed” list must be customized to only request items unique and necessary to address the scope and risk profile for each credit union exam. Examiners must keep a copy of the customized "Items Needed" list within the AIRES file so it becomes part of the administrative record. Failing to pre-plan can cause frustration for credit unions that spend significant amounts of time gathering information that an examiner does not review. When planning for a FISCU exam, examiners will ensure coordination with the SSA and compliance with the NSPM. This includes coordinating with the SSA on the planned scope and coordination between specialists scheduled for the exam (for example, create one "Items Needed" list), to the maximum extent possible. Examiners should also inquire and discuss any changes since the last exam with the SSA.
FISCUs > Examination Planning > Pre-Exam Planning Hours	N/A	Examiners will use WCC 95, Pre-Exam Planning FISCU, on weekly time reports to capture time spent pre-planning a FISCU examination. These hours are separate from, and in addition to, the budgeted hours for examining a credit union. Examiners will document their pre-planning activities with the Pre-Exam Planning Procedures Checklist and upload it with the examination. Pre-exam hours must be recorded for each completed WCC 11 exam. Exceptions to the budgeted time must be approved in writing by a supervisor, in advance. [Call-Out]: The Pre-Exam Planning Procedures Checklist template is located in the AIRES Exam Directory under Available Template Files.
FISCUs > Examination Planning > Pre-Exam Planning Hours	N/A	Examiners will start the pre-planning exam process by opening an AIRES exam WCC 11 for a credit union and charging the hours to WCC 95, Pre-Exam Planning FISCU, in the TMS. The AIRES Pre-Exam Planning Procedures Checklist outlines specific procedures. [Call-Out]: Examiners will comply with the latest version of NCUA Instruction 13500.09, Security of Sensitive Information.
FISCUs > FISCU Program > Preliminary Risk Assessment renamed to: FISCUs > Examination Planning > Preliminary Risk Assessment	The preliminary risk assessment drives the initial scoping for the risk-based examination. Examiners document their assessment in the preliminary risk assessment tab of the AIRES Scope module. Examiners will focus on current and emerging risk indicators and evaluate preliminary risks. At a minimum, examiners will review and document each risk area in the AIRES Scope module by reviewing the following items: <ul style="list-style-type: none">• Previous examination• Most recent FPR, including a discussion of any adverse financial trends in key areas, significant changes in the balance sheet structure, significant growth patterns, and significant changes in loan, investment, or share products• Areas of risk triggered by the most recent national and/or regional risk reports for the associated credit union• Outstanding administrative action(s)• Other relevant items such as regional office correspondence, regulatory waivers, mergers, economic information, AIRES standard query reports, and additional prior examinations and supervision contacts [Call-Out] For guidance on how to access economic information outside of what may be included in AIRES, see NCUA Instruction 5500, How to Access Economic Reports and Information Using Economy.com (Feb. 10, 2004).	The preliminary risk assessment drives the initial scoping for a risk-based examination. This assessment is documented in the preliminary risk assessment tab of the AIRES Scope module. Examiners will focus on current and emerging risk indicators and evaluate preliminary risks.

Federally Insured, State Chartered Credit Union Program and Procedures

Citation	Previous Content (v4.1)	New Content (v5.0)
FISCUs > Supervision Contacts > Onsite Supervision Contacts	Credit unions with significant recordkeeping concerns require an onsite supervision contact focused on ensuring adequate attention to and correction of problems. The examiner will complete a follow up supervision contact for within 60 days from the last contact's completion date. Examiners will continue to make onsite contacts every 60 days until resolution of all identified problems. The supervisor must approve any extensions beyond 60 days with notification to the ARDP and DOS. The examiner must document any extensions in the Confidential Section.	NA (Deleted Content)

OSCUI Consulting

Citation	Previous Content (v4.1)
N/A	No change in section

Quality Assurance Program

Citation	Previous Content (v4.1)
N/A	No change in section

Prompt Corrective Action

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section

Regulatory Waivers and Other Regulatory Actions

Citation	Previous Content (v4.1)
N/A	No change in section

Change of Officials

Citation	Previous Content (v4.1)	New Content (v5.0)
Unauthorized Access to Member Information	Callout box: Member information is defined in Appendix A of Part 748, and means any record containing nonpublic personal information about a member, whether in paper, electronic, or other form, maintained by or on behalf of a credit union.	Callout box: Member information is defined in Appendix A of Part 748, and means any record containing nonpublic personal information about a member, whether in paper, electronic, or other form, maintained by or on behalf of a credit union. Sensitive member information means a member's name, address, or telephone number, in conjunction with the member's social security number, driver's license number, account number, credit or debit card number, or a personal identification number or password that would permit access to the member's account. Sensitive member information also includes any combination of components of member information that would allow someone to log onto or access the member's account, such as user name and password or password and account number.
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Work Classification Codes

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section
Work Classification Codes > General Work Classification Codes	<i>(New Work Classification Code)</i>	Pre-Exam Planning FCU - 94 - Planning prior to FCU examination. Time spent pre-planning should be reported in the WCC column and assigned a specific credit union charter number. This WCC applies to both natural person and corporate credit unions.
Work Classification Codes > General Work Classification Codes	<i>(New Work Classification Code)</i>	Pre-Exam Planning FISCU - 95 - Planning prior to FISCUs joint examination or insurance review. Time spent pre-planning should be reported in the WCC column and assigned a specific credit union charter number. This WCC applies to both natural person and Corporate credit unions.
Work Classification Codes > General Work Classification Codes	<i>(New Work Classification Code)</i>	Consumer Compliance Priorities FCU - 96 - Time specifically allocated to reviewing compliance with federal consumer financial protection laws and regulations in FCUs as directed by management. Not part of safety and soundness examination or supervision activity.
Work Classification Codes > General Work Classification Codes	<i>(New Work Classification Code)</i>	Consumer Compliance Priorities FISCU - 97 - Time specifically allocated to reviewing compliance with federal consumer financial protection laws and regulations in FCUs as directed by management. Not part of safety and soundness examination or supervision activity.

Enforcement Authorities

Citation	Previous Content (v4.1)	New Content (v5.0)
Enforcement Authorities	Credit Practices Rule	Removed reference (the Credit Practices Rule was eliminated when the Dodd Frank Act was passed)

Regional Office Map

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section

Glossary

Citation	Previous Content (v4.1)
N/A	No change in section

Index

Citation	Previous Content (v4.1)	New Content (v5.0)
N/A	No change in section	No change in section