

**Memorandum of Understanding between the
Consumer Financial Protection Bureau and the National Credit Union Administration
Regarding Enhanced Cooperation and Coordination**

Purpose

The National Credit Union Administration (NCUA) is empowered to examine all federally insured credit unions, and the Consumer Financial Protection Bureau (CFPB) is empowered to examine federally insured credit unions with assets greater than \$10 billion and their affiliates (Covered Institutions)¹ to assess compliance with Federal consumer financial laws. This Memorandum of Understanding (MOU) is entered into between the CFPB and the NCUA (collectively, the Agencies) to improve coordination, cooperation, and efficiency generally, and to reduce the burden to institutions and examination staff in connection with the supervision of Covered Institutions.

This agreement will not supersede the framework already in place under the existing coordination structure between the Agencies and any state supervisory authority, including the Memorandum of Understanding on Supervisory Coordination executed on May 16, 2012 (2012 Supervisory Coordination MOU). Accordingly, the Agencies agree to the following actions based on each Agency's current processes:

1. Document Sharing

As memorialized in the 2012 Supervisory Coordination MOU, the Agencies have agreed to continue to share with each other certain relevant supervisory information concerning Covered Institutions, including Covered Examination request letters, drafts of Covered Reports of Examination, certain material supervisory information relating to Covered Supervisory Activities or Covered Examinations of Covered Institutions, and certain final Reports of Examination. Effective immediately, the agencies will pursue opportunities to proactively share such documents with respect to Covered Institutions through electronic means. To facilitate more efficient access to documents in the near future, the NCUA and the CFPB will establish a working group in 2021 to improve this process and develop requirements for secure, two-way sharing of this supervisory information.

2. Joint Strategy Planning

The Agencies' headquarters staff will meet semiannually to discuss their respective supervision strategies and priorities for Covered Institutions. These meetings will be designed to identify and address areas of: 1) alignment and possible coordination; and 2) overlap and possible duplication resulting in unnecessary burden. To the extent that such supervisory strategies are in alignment, the Agencies will coordinate their examinations, as appropriate. The staffs will

¹ As used in this MOU, the term "Covered Institutions" means federally insured credit unions with assets greater than \$10 billion and their affiliates. The total assets of an insured credit union are measured in accordance with the Supervisory Statement: Determination of Depository Institution and Credit Union Asset Size for Purposes of Sections 1025 and 1026 of the Dodd-Frank Act, issued on November 17, 2011.

document for Agency leadership the findings, conclusions and recommendations agreed to during these semiannual meetings.

3. Coordination of Covered Examinations

- A. On an annual basis, the Agencies will provide each other their respective examination schedules for Covered Institutions. This information will be shared at both the regional contact level and centrally via the Document Sharing agreement in Section 1.
- B. To the extent that there are common subject matter areas of review for Covered Institutions, the Agencies will coordinate examination activities, as appropriate.

4. Joint Training Program

To identify and take advantage of opportunities to collaborate on training, Agency staff will meet annually (or more frequently by mutual agreement) to, among other matters, exchange training catalogs and schedules, and devise plans for sharing training content, except that in 2021, Agency staff will meet in March to exchange such materials and develop plans for sharing such training content. Each Agency will endeavor to make available its virtual or live training to the other, to the extent possible. Starting in 2022, the Agencies will coordinate, develop and hold formalized joint training sessions at least once a year in subject areas of mutual interest. Each agency will bear its own costs with respect to joint trainings.

5. Supervisory and Enforcement Coordination

- A. The Enforcement and Supervision staff of the Agencies will meet at least semiannually to discuss current supervisory activities and enforcement actions involving Covered Institutions. The discussion shall include a level of specificity to enable both Agencies to identify, to the extent they exist, potential conflicts in interpretation of what constitutes compliance as well as divergent approaches in the appropriate remedy.
- B. Each Agency will share, in its discretion, information (including Non-public Information, as defined by the Memorandum of Understanding by and Between the Consumer Financial Protection Bureau and the National Credit Union Administration, execution undated (Undated MOU)) related to its enforcement activities to the extent that disclosure of the information is relevant to the exercise of the other Agency's statutory or regulatory authority.
- C. When sharing information pursuant to this Section 5, the providing Agency will determine what information is appropriate to share. This agreement is not intended to alter, waive, or compromise the discretion of an Agency to determine whether and which information it will share.
- D. The Agencies expect the processes in Sections 2, 3, and 5.A to ensure mutual awareness regarding respective supervisory activities and enforcement actions while they are developing and still confidential and non-public under the Agencies' respective statutes and regulations. However, where staff cannot resolve conflicts, staff shall ensure Agency leadership awareness before finalizing the respective Agency's action. For example, should one Agency contemplate public enforcement action where the other Agency has previously reviewed the same subject

matter and either (a) found no violation of law, or (b) imposed a supervisory remedy (e.g., an MRA), staff shall ensure that conflict is raised to decision-makers through their respective internal processes.

- E. Additionally, absent exigent circumstances, each Agency shall notify the other at least two business days prior to filing any action, suit, or proceeding to enforce the laws, as described in section III.C of the 2012 Supervisory Coordination MOU, including any rules thereunder, against a Covered Institution.

6. OMWI, Diversity, and Inclusion

The Agencies agree to meet to further discuss the sharing of self-assessment and diversity data from Covered Institutions. The Agencies will determine the appropriate safeguards and required notices to Covered Institutions the Agencies would use to share any such data.

7. Chief Data Officer Coordination

The Agencies agree that their Chief Data Officers will meet at least semiannually to coordinate regarding data sharing between the Agencies and to collaborate on data management best practices.

8. Confidentiality

Non-public information shared by the Agencies pursuant to this MOU shall be maintained and treated in accordance with the terms of the Undated MOU and the Addendum to Memorandum of Understanding by and Between the Consumer Financial Protection Bureau and the National Credit Union Administration, executed on July 15, 2011 (collectively, Bilateral MOUs).

9. General Terms

- A. *Signature.* This MOU is effective upon signature by representatives of the Agencies. It may be executed in separate counterparts, each of which, when executed and delivered, will be deemed an original, and which taken together constitute one and the same agreement.
- B. *Amendment.* This MOU may be amended by mutual agreement of the Agencies.
- C. *Termination/Withdrawal.* This MOU may be terminated by mutual agreement of the Agencies. Or an Agency may withdraw from this MOU by providing thirty (30) calendar days advance written notice to the other Agency. Following termination of, or withdrawal from, this MOU, all Non-public Information shared pursuant to this MOU will continue to be treated as set forth in this MOU.
- D. *Savings Provision.* No provision of this MOU is intended to and may not be construed to limit or otherwise affect the authority of the Agencies to administer, implement, or enforce any provision of law governing the Agencies' respective authorities or responsibilities.
- E. *Costs.* Nothing in this MOU obligates current or future funds of any Agency, and each Agency is responsible for any costs it incurs in performing the roles and responsibilities described in this

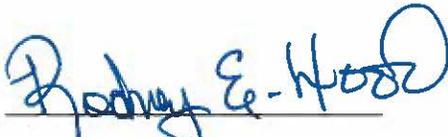
MOU. All activities undertaken in connection with this MOU are subject to the availability of personnel, resources, and funds.

- F. *Third Parties.* Nothing in this MOU creates or affords any rights or remedies to any party that is not a signatory to this MOU.
- G. *Previously Executed MOUs.* The provisions of this MOU are intended to supplement the provisions of previously executed MOUs between the Agencies, including the 2012 Supervisory Coordination MOU and the Bilateral MOUs, and are not intended to supersede or replace any provision of the previously executed MOUs. In the event of any conflict between a provision of this MOU and a provision of a previously executed MOU, the Agencies will adhere to the provision of the previously executed MOU.
- H. *Definitions.* When a term used in this MOU is defined in the 2012 Supervisory Coordination MOU and/or the Bilateral MOUs, for purposes of this MOU the term shall have the meaning defined in the 2012 Supervisory Coordination MOU and/or the Bilateral MOUs.

FOR THE NATIONAL CREDIT
UNION ADMINISTRATION

FOR THE CONSUMER FINANCIAL
PROTECTION BUREAU

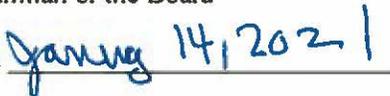
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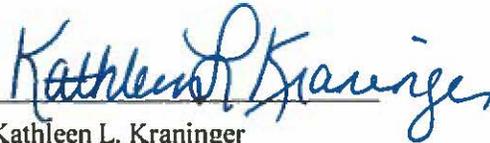
Rodney E. Hood

Chairman of the Board

Date:



By:



Kathleen L. Kraninger

Director

Date:

