



Regulatory Comment: Purchase, Sale, and Pledge of Eligible Obligations

THE ISSUE:

On February 25, 2026, the National Credit Union Administration (NCUA) Board issued a proposed rule to revise its regulations governing the purchase, sale, and pledge of eligible obligations by removing the prescriptive lists of items that must be addressed in the written policies adopted by federal credit unions (FCUs). Notably, FCUs would still be required to maintain written policies. The Board also proposes removing the detailed code of conduct regarding conflicts of interest and compensation.

IMPACT TO CREDIT UNIONS:

FCU boards would no longer be required to comply with the prescriptive one-size-fits-all requirements around the written policies for the purchase, sale, or pledge of eligible obligations and instead develop written policies appropriately scaled for their activities. FCUs would no longer be required to comply with the detailed code of conduct regarding conflict of interest and compensation framework currently in place and would instead rely on the conflict of interest provisions in their bylaws and the fiduciary duties of individuals.

KEY POINTS:

- The Board proposes revising 12 CFR 701.23(b)(6), (c), and (d) to remove the prescriptive items that must be addressed in an FCU's written policies around the purchase, sale, and pledge of eligible obligations.
- FCUs would still be required to maintain written policies around the purchase, sale, and pledge of eligible obligations.

- The Board proposes removing 12 CFR 701.23(g) which establishes a detailed code of conduct regarding conflicts of interest and compensation.

ACTION NEEDED: Deadlines and contacts

Please use the comment link below to respond to America’s Credit Unions’ survey. This will help shape the discussion and better address your needs in our comment letters.

- Comments due to America’s Credit Unions: April 13, 2026 – [Submit here](#).
- Comments due to the NCUA: April 27, 2026
- Questions? Contact [Jeremy Greenberg](#), Regulatory Advocacy Counsel, Innovation & Technology, America’s Credit Unions
- Agency contacts: Ariel Pereira and John Brolin, Senior Attorneys, Office of the General Counsel, (703) 518-6540.

QUESTIONS TO CONSIDER:

1. Do you support the proposed revision to 701.23(b)(6) to remove the mandate to include prescriptive elements in an FCU’s written policies around the purchase of eligible obligations? Why or why not?
2. Do you support the proposed revision to 701.23(c) to remove the mandate to include prescriptive elements in an FCU’s written policy around selling eligible obligations? Why or why not?
3. Do you support the proposed revision to 701.23(d) to remove the mandate to include prescriptive elements in an FCU’s written policy regarding pledging eligible obligations? Why or why not?
4. Do you support removing 701.23(g), establishing a detailed code of conduct around conflicts of interest and compensation? Why or why not?

BACKGROUND:

12 CFR 701.23 governs the purchase, sale, and pledge of whole or partial loans from various sources including the eligible obligations of an FCU’s own members, student loans, and real estate-secured loans. 701.23 implements section 107(13) of the Federal Credit Union Act (FCU Act), which requires the Board to prescribe “rules and regulations” for the purchase, sale, and pledge of eligible obligations. 701.23 establishes requirements for written policies, board approval, and limitations on the aggregate amount of purchase, sale, and pledge of eligible obligations.

SECTION-BY-SECTION ANALYSIS

The Board proposes revising paragraph (b)(6) of 12 CFR 701.23 by removing the prescriptive list of items that must be addressed in FCUs' internal written purchase policies around the purchases of eligible obligations and notes of liquidating credit unions. These prescriptive elements cover due diligence, risk management, underwriting, portfolio concentration limits, and legal review.

Similarly, the Board proposes removing prescriptive requirements in paragraph (c), which establishes elements that must be addressed in FCUs' written policies on the sale of eligible obligations. Further, the Board proposes revising paragraph (d) by removing prescriptive elements addressed in FCUs' written pledge policies. Notably, FCUs would still be required to maintain written policies appropriately scaled to their activities.

The Board also proposes removing paragraph (g), which establishes a detailed code of conduct regarding conflicts of interest and compensation. Removing paragraph (g) would result in current paragraph (h) being redesignated as § 701.23(g). This redesignation would be reflected in the appeals procedures regulation in 12 CFR part 746.