



Regulatory Comment: Credit Union Service Contracts

THE ISSUE:

On February 25, 2026, the National Credit Union Administration (NCUA) issued [a notice of proposed rulemaking](#) (NPRM or “proposal”) to amend its regulations governing the organization and operation of federal credit unions (FCUs) by eliminating a provision related to credit union service contracts.

IMPACT TO CREDIT UNIONS:

Section 701.26 of the NCUA’s regulations addresses the authority for an FCU to enter contracts for assets or services that relate to its daily operations and covers contracts with third-party vendors. The main requirement of § 701.26 is that all agreements be made in writing. The NCUA now proposes to remove § 701.26 entirely on the basis that the authority for an FCU to enter into contracts for goods or services is inherent in its charter and its general powers under the Federal Credit Union Act. Additionally, the NCUA does not believe that the regulatory requirement in § 701.26 to notify all parties of the NCUA’s examination authority is pertinent, given that the agency has no supervisory jurisdiction over vendors.

KEY POINTS:

- The proposal would eliminate 12 CFR § 701.26 entirely.
- Section 701.26 is largely a restatement of an FCU’s authority to enter into contracts for assets and services.
- The NCUA does not think it is necessary to communicate via regulation the standard business practice of ensuring that agreements are made in writing.
- The NCUA does not think it is necessary to require that written agreements advise all parties that “the goods and services provided shall be subject to examination by the NCUA Board to the extent permitted by law” because the agency does not have regulatory authority to supervise vendors.

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 [Andrew Morris](#), Director, Innovation and Technology, America's Credit Unions
- Agency contacts: Rachel Ackman, Senior Staff Attorney, Office of General Counsel
(703) 518-6540

QUESTIONS TO CONSIDER:

1. Is there any benefit in retaining a regulatory restatement of an FCU's ability to enter into contracts?
2. Is there any benefit in maintaining a regulatory requirement that contract agreements, whether with credit unions or vendors, be made in writing?
3. Does the NCUA, by declining to list approved contracting purposes, improve clarity or offer greater regulatory flexibility?
4. Should the NCUA clarify in Part 721 of its regulations that a credit union may act as an agent for another credit union or organization when entering into agreements?

BACKGROUND:

Section 107(1) of the FCU Act states that an FCU shall have the power to "make contracts." The NCUA interprets this provision of the FCU Act as sufficient to communicate the range of activities authorized in the current text of 12 CFR § 701.26, which include entering into agreements with credit unions and "other organizations" for the purpose of sharing, utilizing, renting, leasing, purchasing, selling, and/or joint ownership of fixed assets or engaging in activities and/or services which relate to the daily operations of credit unions.

Certain types of agreements may involve a credit union acting as an agent for another credit union or organization. In these cases, the NCUA has determined that a credit union acting in such an agent capacity may do so pursuant to the incidental powers portion of the FCU Act. See 12 U.S.C. § 1757(17). The NCUA solicits comments on whether, by deleting references to such authority in joint operations and other resource sharing situations under § 701.26, it would be prudent to reaffirm that authority elsewhere in the NCUA's rules—such as Part 721, which covers incidental powers.

SECTION-BY-SECTION ANALYSIS

The NCUA is proposing to eliminate the following regulatory text:

701.26 Credit union service contracts.

A Federal credit union may act as a representative of and enter into a contractual agreement with one or more credit unions or other organizations for the purpose of sharing, utilizing, renting, leasing, purchasing, selling, and/or joint ownership of fixed assets or engaging in activities and/or services which relate to the daily operations of credit unions. Agreements must be in writing, and shall advise all parties subject to the agreement that the goods and services provided shall be subject to examination by the NCUA Board to the extent permitted by law.