

THE EXAMINER

Issue 1



FROM THE DIVISION

Welcome to the NCCUD's quarterly newsletter, The Examiner. We hope you find this communication helpful and informative, especially for upcoming regulatory issues and changes.

This year means many changes for all of us. NCCUD transitioned from AIRES to MERIT, a new examination platform. On April 1, 2022, we will begin adding an 'S' to CAMEL ratings and further evaluating our credit unions' Asset-Liability Management (ALM) related risks going forward. Other important regulatory items to note are updates to the FFIEC Bank Secrecy Act (BSA)/Anti-Money Laundering (AML) Examination Manual, anticipated changes in response to the AML Act

of 2020, and upcoming changes to the March 31, 2022, Call Report filings. Additionally, we are planning to continue offsite examinations, but will evaluate the need to visit credit unions on an individual basis.

IMPORTANT DATES

- April 1, 2022, Commission Meeting
- April 1, 2022, "S" Component Added
- April 15, 2022, NCCUD Closed for Good Friday
- April 30, 2022, 1st Quarter Call Report Submissions Due

Modern Examination & Risk Identification Tool (MERIT)

NCCUD has incorporated a new web-based examination platform that replaces our old examination application, AIRES. For all of our examinations performed this year, we will be using MERIT. We appreciate your patience as we all become more familiar with the updated features. This change should not significantly affect your examination.

Adding an S to CAMEL

NCCUD will begin using the CAMEL component "S" rating for examinations beginning April 1, 2022, and thereafter. The "S" CAMEL component rating stands for "Sensitivity to Market Risk" (interest rate risk). The Division will breakout the current "L" component rating into two separate component ratings of "L" for liquidity risk and "S" for interest rate risk.

AML Act of 2020

Credit unions should start considering how to incorporate the AML and Countering the Financing of Terrorism National Priorities into their risk-based AML/CFT programs, as appropriate, as they will be a measure for evaluating BSA compliance. NCCUD will not examine the incorporation of the priorities until implementing regulations have been promulgated. There are no new requirements yet; however, we encourage our state-chartered credit unions to stay up-to-date on potential upcoming changes.

March 31, 2022, Call Report Changes

The changes will impact the structure of the Call Report, eliminate obsolete reporting items, and build out current reporting to accommodate the enhanced risk-based capital ratio. See more information on [Call Report Changes](#).

In accordance with the Federal DOTGOV Online Trust in Government Act of 2020, the NC Credit Union Division has converted our email addresses from @nccud.org to @nccud.nc.gov. Please verify your address books have our new domains.

CHECK OUT OUR UPDATED WEBSITE AT
[HTTPS://CUD.NC.GOV/](https://cud.nc.gov/)