



June 24, 2024

Ms. Melanie Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: Advance Notice of Proposed Rulemaking – Records Preservation Program and Appendices – Record Retention Guidelines, Catastrophic Act Preparedness Guidelines, NCUA-2024-0026

Filed electronically via: <https://www.regulations.gov>

Dear Ms. Conyers-Ausbrooks:

CrossState Credit Union Association (CrossState) appreciates the opportunity to share comments from our members on the Advance Notice of Proposed Rulemaking (ANPR) regarding NCUA's records preservation program and retention guidelines.

CrossState is a regional trade association that advocates for nearly five hundred credit unions located in the State of New Jersey and Commonwealth of Pennsylvania. CrossState and its member credit unions appreciate NCUA's continuing efforts to update and improve the regulations and guidelines that assist credit unions in their mission.

Part 749 and its Appendix A currently provide guidance for credit unions on what records should be kept permanently and permits flexibility in the format of the records. Appendix B provides guidelines for developing a catastrophic act preparedness plan.

The guidance on developing a catastrophic act preparedness plan in Appendix B is appropriate for credit unions of all sizes. It is recommended that the plan includes annual testing. This may be difficult for smaller size credit unions. CrossState recommends that the guidance suggest regular testing appropriate to the asset size of the credit union.

Appendix A provides guidance on how long credit unions should maintain certain records and in what format. CrossState appreciates the flexibility in the maintenance of records, but we suggest more detailed and specific guidance regarding the length of time for storing certain records. We also propose reevaluating certain records that are to be kept permanently.

Appendix A supplies a list of key operational records that should be retained permanently. That list includes journal and cash records, copies of periodic statements of members, or the individual share and loan ledger, and bank reconcilements. The other operational records listed are direct and should be kept permanently.

Credit unions are often confused about what is meant by the "journal and cash record," and "bank reconciliements." These items should be clarified or detailed.

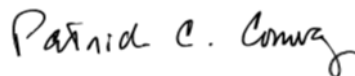
It is getting increasingly difficult for credit unions to keep "copies of member statements" permanently. Smaller asset sized credit unions may not have storage space if the records are maintained in physical form. These credit unions also may not have the financial means to access technology to retain these records digitally, on a permanent basis.

This year credit unions are celebrating the 90th anniversary of the signing of the Federal Credit Union Act. Credit unions have existed this entire time, and many have 90 years of member account records. Even if the records are stored electronically, the time and space devoted to maintaining these records permanently is significant.

CrossState suggests that NCUA consider adjusting the duration for which each members' account records are preserved. It would be practical to maintain these records for a reasonable amount of time following the closure of the account. However, the financial burden of indefinite storage surpasses any potential benefits.

Thank you for reviewing this important part of the regulations and for the opportunity to comment.

With best regards,

A handwritten signature in black ink that reads "Patrick C. Conway". The signature is written in a cursive style.

Patrick C. Conway
President & CEO

cc: CrossState Board
CrossState Government Relations Committee
CrossState Regulatory Review Committee