



December 22, 2025

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

Re: Prohibition on Use of Reputation Risk by NCUA; RIN 3133-AF67; Docket No. NCUA-2025-0972

Dear Ms. Conyers-Ausbrooks:

On behalf of the Dakota Credit Union Association (DakCU), representing 62 credit unions across North and South Dakota, we appreciate the opportunity to comment on the National Credit Union Administration's proposed rule, *Prohibition on Use of Reputation Risk by National Credit Union Administration (NCUA).*

DakCU supports the proposed rule because it strengthens the supervisory framework by focusing on objective safety-and-soundness and compliance standards rather than subjective perceptions. For many of our member credit unions, especially smaller, community-based institutions with limited staff, clear and straightforward examinations make it easier for teams to focus their time and resources where they are needed most. Reputation risk has proven difficult to apply consistently because it relies on perceptions that can vary widely among examiners. Removing this concept from the supervisory process will enhance consistency and predictability by centering examinations on concrete, measurable financial and operational risks. This shift allows credit union management to better allocate resources and prioritize corrective actions tied to verifiable outcomes.

DakCU also supports the proposal's clear guardrails that prohibit the NCUA from requiring, instructing, or encouraging a credit union to close an account, deny service, or alter a product offering based on political, social, cultural, or religious views; constitutionally protected speech; or lawful but politically disfavored business activity. Supervision should never become a vehicle for viewpoint-based decisions. These protections ensure that examinations remain neutral and that credit unions can continue serving members based on risk management and community need, not ideological influence.

Reputation will always be an important business consideration, but it is best managed internally through sound governance and oversight. Credit union boards and leadership are best positioned to monitor member satisfaction, community trust, and public perception in alignment with their mission and strategic priorities. Examiners, by contrast, should focus on measurable risks and compliance requirements. This balance preserves supervisory objectivity while recognizing that strong reputational stewardship remains a core part of institutional management.

For these reasons, the Dakota Credit Union Association urges the NCUA to finalize the proposed rule as drafted.



Sincerely,

A handwritten signature in dark red ink that reads "George McDonald". The signature is written in a cursive style with a horizontal line underneath it.

George McDonald
Interim CEO Dakota Credit Union Association