Accreditation Manual

July 1, 2023

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Table of Contents

National Association of State Credit Union Supervisors (NASCUS)

The National Association of State Credit Union Supervisors is comprised of state regulatory agencies, state and federal credit unions, credit union leagues, and system stakeholders. NASCUS provides a venue for a marketplace of ideas and best practices in which a broad array of perspectives and expertise inform the development of public policy of both regulators and system stakeholders. Working together, NASCUS members ensure a safe, sound, and viable credit union system for today and tomorrow. As the professional association for state credit union regulatory agencies, NASCUS offers credit union regulatory agencies an opportunity to achieve accreditation status recognizing the agency's ability to meet or exceed standards established by peer state regulators.

NASCUS Mission: To forge a vibrant dual charter system by promoting a relevant, growth-oriented, and healthy state charter option.

NASCUS Purpose: To advance credit union legislation, regulation, and supervision to promote a resilient state-chartered cooperative credit union system through regulator and credit union collaboration.

NASCUS Accreditation Program

History of NASCUS Accreditation Program

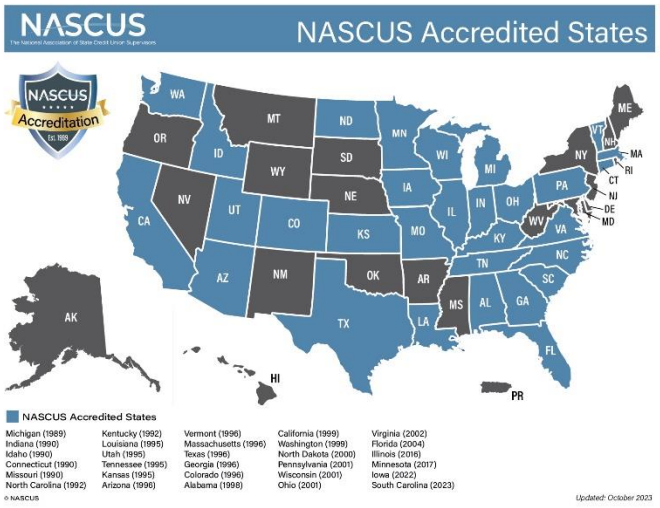
In 1985, National Association of State Credit Union Supervisors (NASCUS) Chairman Mike Fitzgerald of Michigan suggested that NASCUS evaluate developing an accreditation program similar to that of the Conference of State Banking Supervisors (CSBS), who had embarked upon such a program which was being well received by state bank regulatory agencies.

The NASCUS Board agreed that developing an accreditation program would further NASCUS's mission to enhance state credit union supervision and promote a safe and sound credit union system. In 1986, the decision was made to proceed with the development of an Accreditation Program for state credit union regulatory agencies. NASCUS retained retired Texas Credit Union Commissioner Pete Parsons to adapt the CSBS program to credit union regulatory agencies. Over the next 12 months, drafts were sent to the NASCUS Performance Standards Committee (PSC) to review and provide comments for discussion. In 1987, the PSC adopted the final draft and recommended to the NASCUS Board that the program be implemented. The Board approved.

In 1989, Michigan became the first state to obtain NASCUS accreditation. The next year, Connecticut, Idaho, Indiana, and Missouri were accredited followed by Kentucky and North Carolina in 1992. As of October 2023, there are 30 state regulatory agencies accredited by NASCUS.

Map of NASCUS Accredited States

A map of all NASCUS Accredited states is kept up to date with the current list of states approved for initial accreditation and re-accreditation. This map is available on the NASCUS website or upon request. States that do not meet the PSC approval for initial accreditation or re-accreditation will be removed from the accredited states map at the time of the PSC's accreditation decision.



Benefits of NASCUS Accreditation

The NASCUS Accreditation program was established to provide guidance and assistance to state regulatory agencies through self-evaluation and peer review of performance relative to standards established by peer state regulatory agencies. The accreditation process provides an independent and forthright assessment of the capability of each accredited state regulatory agency relative to standardized criteria. The results of both the internal and independent reviews benefit the state agency participating in the program by identifying and documenting strengths and weaknesses in the agency and its supervisory program. The Accreditation program supports a strong dual chartered credit union system by demonstrating to stakeholders including federal agencies, other state agencies, the public and regulated financial services entities the high level of capability of each accredited state agency. Accredited state regulatory agencies have an opportunity to learn from each other through the sharing of best practices. The Accreditation program is continuously updated and refined to ensure a dynamic program supportive of a progressive and responsive nationwide state regulatory framework.

How Does Accreditation Work?

The accreditation process, very much like a credit union examination, is as follows:

Once the agency has made the commitment to seek accreditation, or upon an agency's 5th year accreditation, the agency is notified by NASCUS (and in joint reviews both NASCUS and CSBS) of an upcoming accreditation review and agency staff are given training on and access to the Accreditation Online System (AOS) approximately 6 months prior to the scheduled review week.

The agency works to complete an initial Self-Evaluation Report for Accreditation (SERA)[1] and submits the SERA and related documents 45 days prior to the week of the review. In completing the SERA, the agency must demonstrate that it meets accreditation standards in five areas: (1)

[1] For joint accreditation reviews, please note the SERA is referred to as the Self-Evaluation Questionnaire by CSBS.

Agency Administration & Finance, (2) Personnel & Training, (3) Examination, (4) Supervision, and (5) Legislative Powers. It is during the completion of the questionnaire that an agency would measure its activities and operations against the standards by answering all questions, providing required supporting documentation, and additional narratives where necessary within the AOS. The agency scores itself for each standard and provides a brief justification of each score.

The NASCUS Accreditation Program Administrator (APA) will work with the agency to coordinate all staff interviews and logistics surrounding the week of the review upon submission of the SERA. In the case of a joint accreditation review, coordination efforts with CSBS will occur to ensure communication is synchronized.

The NASCUS Accreditation Review Team (ART) would then perform a week-long review of the agency's self-evaluation results including document review and select staff interviews. Efforts will be coordinated with CSBS ART on joint reviews.

Upon completion of the ART review, an exit meeting occurs to make the agency aware of the findings and provide the agency with an opportunity to discuss the findings. The agency would then have 10 days to submit any additional information/documentation to justify scoring change requests. After that time, a final NASCUS Accreditation report is produced. CSBS and NASCUS deliver separate accreditation reports on joint reviews as both Associations have separate Performance Standards Committees (PSCs) required to approve the respective reports and the Agency's accreditation.

The draft report is reviewed by all ART members who participated in the review and the NASCUS APA who then submits it to the PSC for review and approval. If approved, the agency will receive a final written Accreditation Report, an Accreditation Letter, and a Framed Certificate. A press release is coordinated with NASCUS marketing & communication staff and the agency's preferred contact(s). If an agency is not approved for reaccreditation, the PSC may place the agency on probation or revoke accreditation.

An Agency's additional responsibilities after the 5-year review include completion of an annual accreditation review form and update to the NASCUS Profile[2]. The PSC may also request additional information be provided during an annual review and the agency is encouraged to highlight significant changes that may impact accreditation status.

All sensitive and confidential information provided by the Agency is treated as confidential by the ART, the PSC and NASCUS staff. Information obtained during the accreditation process is not discussed with anyone outside of the Agency, the ART, the PSC or NASCUS staff.

Agencies interested in pursuing accreditation are encouraged to visit the NASCUS website to learn more about accreditation and review the SERA. Agencies are strongly encouraged to reach out to John Kolhoff, Senior Vice President of Policy and Supervision (jkolhoff@nascus.org) or

[2] NASCUS Profile is a digital platform that provides a searchable data catalog of state credit union regulatory agencies information (structure, funding, and examination program data) and key state credit union legislative powers.

Mary Ellen O'Neill, Accreditation Program Administrator (meoneill@nascus.org) to further discuss NASCUS accreditation.

Accreditation Program Invoicing and Fees

The NASCUS APA coordinates with the NASCUS Chief Financial Officer who is responsible for creating, transmitting, and tracking invoices and payments related to the NASCUS Accreditation program. Each state regulatory agency is billed annually for the Annual Accreditation Program Review and once every 5 years for the full on-site Accreditation.

Accreditation Program Costs:

- **Initial Accreditation $15,000** *(payment options and grant funds may be available for those who qualify)*
- **Annual Accreditation Program Fee $2,000 per year except on the 5th year when the NASCUS on-site accreditation is scheduled.**
- **Quinquennial Fee (Every 5th year) $15,000** – states have the option to pay this fee in full at the year their 5-year review takes place or may opt to pay in annual installments of $3,000 (to be invoiced at the time of the annual program fee)

Performance Standards Committee (PSC) Responsibilities

The Performance Standards Committee (PSC) serves as the policy-making body of the NASCUS Accreditation program. The PSC, which is comprised of at least five senior regulators from accredited state agencies, sets the principles, standards and scoring criteria that must be met by the credit union supervisory agencies to earn and maintain NASCUS Accreditation. The current NASCUS Chairman and the NASCUS President/CEO serve as Ex-Officio members of the PSC. Please refer to ***Appendix A***: The Performance Standards Committee Charter for more information.

Performance Standards Committee Members

- Francisco Menchaca, Director, Illinois Division of Financial Institutions *(Chairman of PSC)*
- Tom Fite, Director, Indiana Department of Financial Institutions
- Stacey Cameron, Deputy Secretary, Depository Institutions, Pennsylvania Department of Banking and Securities
- Kristina Ray, Administrator of Credit Unions, North Carolina
- Aaron Ferenc, Deputy Commissioner of Banking, Vermont Department of Financial Regulation

Setting Accreditation Standards

While the NASCUS Accreditation program is continuously reviewed, modified and changed as needed to ensure a strong program, the PSC may appoint formation of a working group compiled of currently accredited state regulators to review and suggest changes to the standards and related questions in the SERA. The PSC reviews the suggestions and makes recommendations of their own regarding the updates. Once PSC approval is reached, the updated SERA and a change log are released to the accredited state agencies. Every effort will be made to coordinate review & changes with CSBS PSC for Section 1 (Agency Administration & Finance) and Section 2 (Personnel & Training) to ensure consistent standards are established.

Reviewing and Approving ART Reports & Accreditation Status

The PSC is responsible for reviewing all ART Reports. APA will submit Annual Accreditation Reviews to the PSC for review and approval if the Agency is in probationary status or there are changes impacting the Agency which may represent a significantly adverse impact on the Agency's accreditation status. Ultimately, approval or denial of these reports & accreditation status falls under the PSC's responsibility. Please refer to ***Appendix B***: The Performance Standards Committee Accreditation Decision Policy for more detail regarding the Accreditation program requirements. The NASCUS APA facilitates the report review and processing of both the annual accreditation review reports and 5-year accreditation reports with the PSC. The NASCUS APA will deliver the final report(s) to the state regulatory agency on behalf of the PSC.

Attending Quarterly Meetings

The PSC members attend quarterly meetings, including an in-person meeting held during the NASCUS Annual Meeting (State System Summit/S3), in which updates to SERA, accreditation scheduling, questions on standards and common practices in accreditation are discussed.

Accreditation Review Team (ART) Responsibilities

Accreditation Review Team Members

The Accreditation Review Team (ART) is comprised of current and former state or federal regulators who held a top leadership role within their respective agencies and possess the expertise to evaluate the adequacy & effectiveness of state agencies regulatory programs. Retired federal regulators within higher ranks of the NCUA such as former Regional Directors have been appointed as ART members. State regulators joining the ART should be from an accredited state agency.

Current ART Members:

- Leanne O'Brien, Retired State Regulator, MI
- Tom Palin, Retired State Regulator, VT
- Aaron Ferenc, Active State Regulator, VT
- Denice Schultheiss, Active State Regulator, MI

- Ken Bonnot, Active State Regulator, MO
- Francisco Menchaca, Active State Regulator, IL
- Mary Ellen O'Neill, Retired State Regulator, CT *[Serving as the Accreditation Program Administrator]*

Requirements for Qualifying as an ART Member

The ART membership vetting process includes an interview with NASCUS staff, submission of a writing sample and other documents required for onboarding the new ART member. The list below identifies the types of documentation needed to become an ART member and thereby consultant for NASCUS.

Required documents for ART membership include the following:

- Consulting Agreement (Retirees only)—Outlines responsibilities, information security, confidentiality, and renewal terms. Must be executed prior to the team member gaining access to the AOS.
- Emergency Contact Form—Due to travel for in-person reviews, NASCUS keeps an updated online Emergency Contact Form for each ART member in case of emergency.
- Writing Sample—A professional writing sample must be submitted during the vetting process for each review team member.
- Resume—A resume is requested by NASCUS during the vetting process.
- Bio for AOS—A short bio is required for all ART members. It is published in the NASCUS introductory literature for Accreditation at the on-site accreditation reviews.

NASCUS will provide NASCUS domain email addresses for all retiree consultants in order to ensure access to Office 365 products and secure transmittal of email and email attachments. All sensitive and confidential information provided by the Agency is treated as confidential by the ART, the PSC and NASCUS staff. Information obtained during the accreditation process should not be discussed with anyone outside of the Agency, the ART, the PSC or NASCUS staff.

Accreditation Review Team Training

Annual ART training usually occurs in the first quarter of each year and is held in conjunction with CSBS for some of the components such as AOS updates and NASCUS/CSBS updates. Additional one on one training is provided for accessing AOS, NASCUS email, and an overview of 5-year reviews to prepare new ART member(s). Training in both of these capacities is required. It is also preferred that each new member observes 1 to 2 full accreditation reviews before participating as an ART member or lead reviewer. As previously mentioned, the ART is notified upon annual scheduling whether they will be assigned to a review and/or serve as the ART Lead for a review.

Onsite/Offsite Accreditation Reviews

Scheduling ART Members for Accreditation Reviews

Each year in October, the NASCUS APA will reach out to all states with upcoming 5-year reviews in the next calendar year. Scheduling those reviews is important to do by the 3rd or 4th quarter of each year in order to give the agencies undergoing review ample time for completion of the SERA in AOS. Once a general working schedule is created, ART members are contacted and assigned to the reviews. Generally, three ART members will participate in each standalone agency review. One ART member is usually sufficient for a joint review with CSBS unless another new member needs to undergo training.

During the Covid-19 pandemic, accreditation moved to an offsite review to accommodate state mandates for office closures and social distancing. The reviews are conducted similarly to an onsite review, but NASCUS utilizes Microsoft TEAMs to conduct interviews and the Accreditation Online System (AOS) to request and review requested documents. The NASCUS APA will, in coordination with the state agency (and with CSBS for joint accreditation reviews), determine future onsite/offsite accreditation review scheduling.

ART Members Logistics & Travel

If an onsite review is scheduled, NASCUS will be responsible for booking a hotel room block and providing group transportation on-site for all ART members following the NASCUS travel criteria/requirements currently in place. All ART members will be notified of dates and travel timeframes for each review. The ART members are responsible for booking their own transportation to the airport and flights to and from the review site. A standard reimbursement form is required for payment to be made from NASCUS to the ART member for approved expenses related to traveling for an accreditation review.

Work of Art Prior to Review Week

The ART is responsible for reviewing documents submitted in the AOS by the agency between 30 and 45 days prior to the review week**.** The designated ART Team Lead is responsible for making the assignments of the sections in the SERA and notifying the NASCUS APA who will enter team assignments in AOS.

The NASCUS APA works with the regulatory agency to develop and set an interview schedule of select staff with the following personnel categories interviewed:

- Entry-level examiners
- Mid-level examiners
- Specialty/senior examiners
- Supervisors/Management
- Enforcement
- Legal
- Legislative
- HR/Personnel

- Budget
- Internal IT

Tenure and geographic location are also considered during development of the interview schedule.

Work of ART During the Review Week

The review week begins with a meeting between the ART, the agency executive and his or her executive team members. The agency executive(s) provides a brief overview of the agency, its supervisory priorities for the year, self-identified opportunities for improvement in operations, any upcoming legislative initiatives as well as any additional information they'd like the ART to know. The ART will also provide an introductory briefing and answer any questions the agency staff may have about the accreditation process.

The ART team will begin conducting interviews of a sampling of agency staff selected from across all operational groups and experience levels. These confidential conversations are expected to be an open and direct dialogue about each participant's role within the agency and the agency's processes and procedures.

The ART team will also use this week to review confidential documentation, such as samplings of examination reports, policies & procedures, training files, etc., related to their review of the agency's performance against the accreditation standards. The ART team will jointly deliberate on the ratings assigned by the ART members and how they compare to the agency's self-evaluation. The ART will assign a team rating for each of the accreditation areas.

The final step of the review week is to conduct an exit meeting with the agency executive team outlining the findings of the ART with reference to ratings between the agency and the ART that were different, identification of any recommendations, suggestions, and accolades and whether the ART recommends accreditation status for the agency. These findings are not complete as recommendations of the ART, must be reviewed and approved by the PSC to become official. The ART Lead is responsible for leading the exit meeting and will produce an accreditation report which is submitted to the APA for review and then forwarded to the PSC for review & approval. The APA delivers the final accreditation report to the agency on behalf of the PSC.

State Supervisory Agency Responsibilities

Initial Application for Accreditation

Applications for initial accreditation must be discussed with NASCUS staff and must be submitted through the AOS by completion of the SERA. The NASCUS APA will set up an account in AOS for points of contact at the agency and set up a time/date for a demo and discussion with all those involved in the completion of the SERA.

The NASCUS APA performs a system demo (or in a joint review it is performed in conjunction with CSBS) for all states who are expected to utilize the Accreditation Online System (AOS) for the first time. The demo consists of expectations for the state agency undergoing review and includes specific instructions on how to access the system and submit information.

The demo covers the following topics for AOS system:

AOS System Demo Checklist

- Login & Multi-Factor Authentication
- Create or Update AOS Users
- Accessing the SERA Questionnaire
- Assignments in the system
- Summary Tab
- Answering SERA Questions
- Uploading Documents
- Agency Scoresheet Tab
- Documents Tab
- Requested Documents vs. SEQ Documents
- Related Actions Tab
- Submitting your SERA Questionnaire

Agencies seeking additional training on the AOS should visit the CSBS website for the AOS Guide and AOS Agency Training Videos. **Visit the link here: AOS Agency Training | CSBS**

NASCUS Contract with State Agency

Each state agency applying for accreditation will receive a copy of the NASCUS Accreditation Agreement ***(see Appendix C)*** outlining items such as the fees, reporting, and confidentiality of the information shared prior to and during a review. If necessary, the agency may request adjustments to the agreement to comport to their state's legal requirements. NASCUS staff must share any request for substantive changes outside of the normal NASCUS Accreditation Agreement template with NASCUS's CEO or General Counsel prior to execution of such contract.

Some state agencies require additional documentation to be signed by NASCUS staff and/or ART members prior to providing access to state agency information. These documents may include confidentiality agreements, non-disclosure agreements, and information security agreements. The state agency is encouraged to identify these requirements to the NASCUS APA so they may be addressed prior to the accreditation review.

Accreditation Review Process

The accreditation review process is as follows:

- Once the agency has made the commitment to seek accreditation, or upon an agency's 5th year accreditation review week, the agency is notified by NASCUS (and in joint reviews both NASCUS and CSBS) of an upcoming review and is given training on and access to the Accreditation Online System (AOS) approximately 6 months prior to the scheduled review week.

- The agency works to complete the Self-Evaluation Report for Accreditation (SERA) and submit it and all supporting documentation utilizing the AOS 45 days prior to the week of the review. It is during the completion of the questionnaire that an agency would measure its activities and operations against the five accreditation areas by answering all questions, providing required supporting documentation, and additional narratives where necessary within the AOS.

- An introductory letter will be sent to each agency prior to the on-site review outlining the dates/times of the review, ART biographical information, what to expect during the week of the review, and additional logistical information requests such as agency parking availability and nearby hotels. It also contains contact information for the NASCUS APA assigned to facilitate the review.

- Accompanying the Introductory Letter is a staff list template for the agency to provide a list of current staff. This is also requested in the AOS, so if it is completed there the agency may so note it. The NASCUS APA will work with the agency to coordinate all staff interviews and logistics surrounding the week of the review upon submission of the SERA. In the case of joint accreditation reviews, coordination efforts with CSBS will occur to ensure communication is synchronized.

- NASCUS APA will utilize the submitted staff list to develop the interview schedule. A copy will be provided to the ART Team Lead for review to ensure all required parties are interviewed. A draft will also be provided to the agency to ensure the availability of the requested interviewees. Once all parties agree, a final Interview Schedule will be provided to the agency via email and to the ART via AOS & email. The interview schedule will include a Microsoft Teams meeting link (or multiple links if performing a joint review with CSBS) for use during the week of review if a virtual/offsite review is being performed.

- The confidential document request list will also be provided at this time and the agency can elect to upload to the AOS or provide their own access via secured means. The agency must notify NASCUS either way to ensure that all ART members are provided with access to documentation. If using the AOS, any additional series of document requests will be submitted to the agency POCs listed in AOS by the NASCUS APA.

- The NASCUS Accreditation Review Team (ART) would then perform a week-long review of the agency's self-evaluation results including document review and select staff interviews.

- Upon completion of the ART review, an exit meeting occurs to make the agency aware of the findings and provide the agency with an opportunity to discuss the findings. The agency would then have 10 days to submit any additional information/documentation to justify

scoring change requests. After that time, a final NASCUS Accreditation report is produced. CSBS and NASCUS deliver separate accreditation reports on joint reviews as both Associations have separate Performance Standards Committees (PSCs) required to approve the respective reports and the Agency's accreditation.

- The report is reviewed by the ART Members and the NASCUS APA. The report is then submitted to the PSC for approval. Re-Accreditation approval is subject to the agency responding to all ART recommendations within a reasonable period (i.e., through the annual accreditation review process), payment of annual accreditation program fee and execution of a 5-year accreditation contract, and timely completion of annual accreditation review reports. If approved, the agency will receive a final accreditation report, an accreditation letter, and a framed certificate. A press release is coordinated with NASCUS marketing & communication staff and the agency's preferred contact(s).

NASCUS Annual Reviews

Annual Review Requirements

An Agency who is not undergoing an initial or 5-year re-accreditation review in a calendar year will have an annual accreditation review due in the interim years. Annual Review questionnaires are distributed in a Word document via email from the NASCUS APA in the second quarter of each calendar year and are due from the Agency in October of each calendar year. The APA and/or a review team consisting of ART members will review the agencies Annual Review submissions and prepare written responses for the agencies. The APA will forward the prepared written responses to the PSC for review and approval for any agency on probation or those agencies with changes that may have a significantly adverse impact on its accreditation status. NASCUS APA, on behalf of the PSC and ART, responds to the Agency. The APA will also provide the PSC with a year-end report of the NASCUS Annual Accreditation Review Program. Recommendations are tracked to completion. Additional requests for documentation may be sent in the response from the year's submission.

Updating the Annual Review Questionnaire

Every year the Annual Review questionnaire is sent to the PSC for modification to ensure it is reflective of the information needed for continued accreditation. All edits are collected by the NASCUS APA and finalized through a PSC vote.

Distribution and Timeframe for Annual Review Questionnaire

Once the PSC finalizes the Annual Review questionnaire, it is distributed to all Accredited states who are not receiving a 5-year onsite accreditation review. The timeframe for NASCUS Annual Reviews is as follows:

- April of each year NASCUS will send the Annual Review questionnaire to State Agencies
- October of each year NASCUS will collect the Annual Review questionnaire from State Agencies
- November of each year the APA and/or the ART reviews the Annual Review questionnaire submissions and drafts written responses to the State Agencies for PSC review and approval
- December of each year the PSC reviews and approves the responses to the Annual Reviews for any agency on probation or any agency with significant changes that may adversely impact their accreditation status
- December of each year NASCUS APA will transmit Annual Review Acknowledgements on behalf of the PSC and will provide the PSC with a Report of the NASCUS Annual Review Program

Self-Evaluation for Re-Accreditation (SERA) and Scoring

SERA Standards & Questions

The Self-Evaluation Report for Accreditation (SERA) standards are developed by a working group of accredited state regulators and put forth for approval by the PSC. Standards are set according to peer performance and to ensure appropriate supervisory standards are being met in the following five areas:

- Agency Administration and Finance
- Personnel and Training
- Credit Union Examination
- Credit Union Supervision Powers
- Credit Union Legislative Powers

A copy of the SERA including all standards, descriptions of each topic related to the standards, and the full set of questions is available on the NASCUS website, upon request and found in the AOS.

Visit NASCUS: https://www.nascus.org/state-activities/accreditation/

Rating	Description
0	The agency does not meet the standard. There are major deficiencies in its performance of the specific criteria or there is NO performance at all.
1	The agency does not meet the standard. The agency is performing some function of the criteria, but significant improvement is needed.
2	The agency meets the standard. There may or may not be suggestions for improvement, but the agency meets the standard.
3	The agency exceeds the standard to a notable extent. There are no suggestions for improvement. Agency's performance could be characterized as model/aspirational for others.

SERA Scoring

The ART assesses the state regulatory agency against the accreditation standards using the scale above.

SEQ Score Overview	Credit Union Score
Total Team Scores	1074
Total Agency Score	1074
Passing Score	838
Max Score	1611

Each standard has a weighted value, assigned by the Performance Standards Committee (PSC), with the greater weighted values for those standards most important to achieving, and maintaining, accredited status. The weighted values range from two (2) to forty (40).

Maximum scores achievable are noted in the table above; however, maximum scoring is not necessary to achieve accreditation. Agencies achieving maximum scores are likely to have several accolades identified in the accreditation report and are held out as exemplary agencies in those respective accreditation areas.

Weighted values or "Topic Values" are listed in the sample below with this sample including scoring if **every** topic ***meets the standard***.

Section 1. Agency Administration and Finance	Topic Value	Agency Rating	Agency Score	Team Rating	Team Score
Topic 1-A-1. Mission Statement and Strategic Plan	**5**	2	10	2	10
Topic 1-A-2. Succession Planning and	**3**	2	6	2	6
Topic 1-B. Internal Communication	**5**	2	10	2	10
Topic 1-C. Communication with Other Regulatory	**5**	2	10	2	10
Topic 1-D. Communication with Industry	**5**	2	10	2	10
Topic 1-E. Consumer Education / Financial Literacy	**4**	2	8	2	8
Topic 1-F. Access to Legal Assistance	**5**	2	10	2	10
Topic 1-G. Agency Facilities	**3**	2	6	2	6
Topic 1-H. Business Continuity Plan	**5**	2	10	2	10
Topic 1-I. Technology Infrastructure and	**16**	2	32	2	32
Topic 1-J. Budget Revenue Source / Contingency	**12**	2	24	2	24
Topic 1-K. Budget Expenses / Supplemental Budgets	**12**	2	24	2	24
Section 1 Total (Max: 240 Passing: 120)			160		160
Section 2. Personnel and Training	**Topic Value**	**Agency Rating**	**Agency Score**	**Team Rating**	**Team Score**
Topic 2-A. Personnel Manual	**5**	2	10	2	10
Topic 2-B. Job Descriptions	**5**	2	10	2	10
Topic 2-C. Hiring Policies	**5**	2	10	2	10
Topic 2-D. Promotional Opportunities / Pay for	**5**	2	10	2	10

Topic 2-E. Performance Appraisal Process	**5**	2	10	2	10
Topic 2-F. Adequacy of Salaries and Benefits	**10**	2	20	2	20
Topic 2-G. Training Coordinator / Evaluations	**5**	2	10	2	10
Topic 2-H. Policy on Examiner Training	**5**	2	10	2	10
Topic 2-I. Training Manual and On-the-Job Training	**10**	2	20	2	20
Topic 2-J. Exit Interview Training	**5**	2	10	2	10
Topic 2-K. Support of External Academic Training	**5**	2	10	2	10
Topic 2-L. Adequacy of Training Funds	**15**	2	30	2	30
Section 2 Total (Max: 240 Passing: 120)			160		160
Section 8. Credit Union – Examination	**Topic Value**	**Agency Rating**	**Agency Score**	**Team Rating**	**Team Score**
Topic 8-A. Credit Union Examination Policy	**40**	2	80	2	80
Topic 8-B. Credit Union Examination Manual	**20**	2	40	2	40
Topic 8-C-1. Scope of Examination Capabilities: Ability to Examine 50% of its Credit Unions Annually	**10**	2	20	2	20
Topic 8-C-2. Scope of Examination Capabilities: Ability to Examine Credit Union Lending	**20**	2	40	2	40
Topic 8-C-3. Scope of Examination Capabilities: Ability to Examine Credit Union Investments	**20**	2	40	2	40
Topic 8-C-4. Scope of Examination Capabilities: Ability to Examine Credit Union Asset/Liability Management	**20**	2	40	2	40
Topic 8-C-5. Scope of Examination Capabilities: Ability to Examine Credit Union Liquidity	**20**	2	40	2	40
Topic 8-C-6. Scope of Examination Capabilities: Ability to Conduct Financial Analysis of the State's Credit Unions	**20**	2	40	2	40
Topic 8-C-7. Scope of Examination Capabilities: Ability to Examine Credit Union Management	**20**	2	40	2	40
Topic 8-C-8. Scope of Examination Capabilities: Ability to Examine Credit Union Off Balance Sheet Items	**20**	2	40	2	40
Topic 8-C-9. Use of Market Sensitivity "S" Rating	**2**	2	4	2	4
Topic 8-D-1. Specialty Exams: IS&T &	**10**	2	20	2	20
Topic 8-D-2. Specialty Exams: Consumer	**10**	2	20	2	20
Topic 8-D-3. Specialty Exams: CUSOs & Third	**10**	2	20	2	20
Topic 8-E. Planning Individual Safety and	**10**	2	20	2	20
Topic 8-F. Examination Report and Workpaper	**10**	2	20	2	20
Topic 8-G. Exit Conferences with Management	**10**	2	20	2	20
Topic 8-H. Examination Report Review and	**10**	2	20	2	20
Section 8 Total (Max: 846 Passing: 465)			564		564

Section 9. Credit Union - Supervision Powers	Topic Value	Agency Rating	Agency Score	Team Rating	Team Score
Topic 9-A. Surveillance System	**20**	2	40	2	40
Topic 9-B. Follow-Up	**15**	2	30	2	30
Topic 9-C. Enforcement Authority Use	**15**	2	30	2	30
Topic 9-D. Corporate Governance	**5**	2	10	2	10
Topic 9-E. Promulgation of Rules and Regulations	**5**	2	10	2	10
Section 9 Total (Max: 180 Passing: 99)			120		120
Section 10. Credit Union - Legislative Powers	**Topic Value**	**Agency Rating**	**Agency Score**	**Team Rating**	**Team Score**
Topic 10-A. Revising Laws, Department Duties and	**10**	2	20	2	20
Topic 10-B. Enforcement Authority	**15**	2	30	2	30
Topic 10-C. Involvement in Legislative Powers	**10**	2	20	2	20
Section 10 Total (Max: 105 Passing: 55)			70		70

Agencies that do not meet the standard, receiving scores of 0 or 1 in the accreditation rating system, will have recommendations from the ART. An agency that fails to meet the passing score in any of the five areas may be subject to probation or de-accreditation status as recommended by the ART and approved by the PSC. ***Please refer to Appendix B***: NASCUS Performance Standards Committee Accreditation Decision Policy for further information.

Joint Reviews with CSBS Standard Operating Procedures

Coordination / Planning Process

Scheduling

The NASCUS APA will coordinate directly with CSBS Staff to determine scheduling on joint reviews and facilitators from both organizations will be assigned for communication purposes.

Accreditation Online System (AOS)

The NASCUS APA will demo the system along with CSBS staff for all agencies electing for a joint review in a calendar year. This is usually performed in the first quarter of each calendar year and states will be notified by email. CSBS also has instructional videos incorporating use of the AOS for joint reviews. To view AOS instructional videos, visit: Department Accreditation | CSBS

Introductory Letter

The introductory letter will be handled in a coordinated manner between NASCUS and CSBS Staff. One letter will be sent to the agency's main point of contact outlining the review expectations, ART Bios, and facilitator(s) contact information.

Contract with Agency

State regulatory agencies are required to complete the NASCUS Accreditation Agreement, regardless of whether the accreditation is joint or independent. The NASCUS APA will coordinate this with the agency. See the Appendix for a sample NASCUS Agreement.

Staff List, Interview Schedule, and Onsite Document Request List

All of these items will be coordinated between NASCUS and CSBS Staff assigned to an agency's review. This is intended to streamline the administrative burden placed on agencies while planning for the review.

Offsite Review and Virtual meeting links

NASCUS and CSBS staff will hold and conduct some interviews separately during a joint review process. Links will be provided and clearly marked on the interview schedule so that each interviewee knows when and where they are expected to be for their respective interviews.

Scheduling Reviews

Frequency

Each state regulatory agency seeking Accreditation is required to have an initial Accreditation review. Upon passing this review, an agency will be required to report annually in the interim until the next 5-year period is reached and the Re-Accreditation review is due.

Initial Accreditation reviews may occur at any time with the submission of a completed SERA to NASCUS. The SERA is available on the NASCUS website. NASCUS Staff will coordinate with CSBS staff to grant access to the Accreditation Online System (AOS), schedule a demo of AOS and arrange an information sharing meeting.

Syncing with CSBS

States may elect to participate in joint reviews when more than one accreditation type is sought. Along with NASCUS staff and ART members performing a credit union regulatory review, CSBS will provide staff and ART members to perform banking, mortgage, or MSB reviews when an agency elects to coordinate these reviews. The process is streamlined to ensure that the agency's administrative burden is reduced.

Contacting the Agency

Contact with the agency will be coordinated between CSBS and NASCUS staff for purposes of notification and correspondence; however, the credit union regulatory point of contact is encouraged to maintain an open line of communication with the NASCUS APA while completing the SERA and throughout the review process in case of questions or when clarification is needed.

Scheduling the ART

On joint Accreditation reviews, NASCUS assigns one staff member and one ART member.

ART Reports

All NASCUS accreditation reviews will provide a separate ART report to the agency regardless of joint or stand-alone reviews being performed.

Accreditation Review Team Training

Content Development and Coordination

NASCUS Staff develops content of annual training based on the changes to the AOS system, changes to the SERA, changes to procedure, and any additional items brought to staff attention that need addressing.

Frequency

ART training, which may be in person or virtual, is held in the first quarter of every calendar year and is required in order to participate in reviews. NASCUS staff will coordinate content and scheduling of ART training when necessary to avoid duplicative information sharing. This does not mean all ART trainings will occur simultaneously and will be determined by need on an annual basis.

Accessing the Accreditation Online System

Creating a user

The NASCUS APA may create any number of users the state agency wishes to designate for completion of the SERA. The State agency may also designate a user to create additional users for this purpose.

Issuing the SERA

The NASCUS APA will issue the SERA in the AOS to agencies applying for initial and Re-accreditation at least 6 months in advance of a scheduled review. An agency must undergo the demo of the system, commit to a review date, and provide contact information for a main point of contact (can be multiple) for the NASCUS APA to issue the SERA in the system. The agency will also need to sign a NASCUS Accreditation Agreement.

User Guides & instructional videos

CSBS has a series of user guides and instructional videos available to the agency for use of the AOS. To view the AOS guide, ***see Appendix D*** and for instructional videos visit: AOS Agency Training | CSBS

NASCUS Contract with CSBS

NASCUS contracts with CSBS for an annual fee to ensure use of the AOS remains available and it is the preferred secure method of obtaining SERA responses, performing reviews, and requesting additional documents.

Submission of the SERA

Submission of the SERA must be done in the AOS. A manual document submission will not be accepted. ***See Appendix D*** for a copy of the SERA or visit the NASCUS website.

Appendix

Appendix A: Performance-Standards-Committee-Charter-2023.pdf

Appendix B: NASCUS-Accreditation-Decision-Policy.pdf

Appendix C: NASCUS-Accreditation-Contract-2023.pdf

Appendix D: CSBS AOS Training Guide

Appendix E: NASCUS-SERA-SEQ.pdf