



DCUC
DEFENSE CREDIT UNION COUNCIL

1627 Eye St, NW
Suite 935
Washington, DC 20006

202.734.5007
www.d cuc.org

Jason Stverak
Chief Advocacy Officer

May 19, 2026

Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

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

RE: Third-Party Servicing of Indirect Vehicle Loans [NCUA-2026-0628]

Dear Ms. Conyers-Ausbrooks:

On behalf of the Defense Credit Union Council (DCUC),¹ I welcome the opportunity to comment on the National Credit Union Administration's (NCUA) proposed rule to remove regulatory provisions regarding third-party servicing of indirect vehicle loans. DCUC represents credit unions that serve active-duty military, veterans, and their families worldwide.

DCUC supports the NCUA's proposed rulemaking. The proposal to remove current paragraph (h) from § 701.21 would provide federal credit unions with greater flexibility to develop lending policies appropriately scaled to their purchases of indirect vehicle loans serviced by third parties. We recognize that indirect vehicle lending programs serviced by third parties can present operational, concentration, and vendor-management risks if not appropriately governed. However, we agree with the NCUA Board that a credit union's board is in the best position to develop lending policies and should have reasonable flexibility. Credit unions employ sophisticated underwriting, concentration monitoring, and vendor oversight practices that allow them to responsibly manage indirect lending relationships without reliance on regulatory concentration limits. Should a credit union's practices raise safety and soundness concerns, the NCUA has the authority through the examination and supervision process to require corrective action.

While current paragraph (h)(2) sets forth a process for a federal credit union to request a waiver from the concentration limits from its Regional Director and paragraph (h)(3) sets forth a timeline for the NCUA to provide written responses to waiver requests, we support a more principles-based supervisory approach under which institution-specific concerns can be addressed individually in the examination process. Therefore, we support removal of paragraph (h), including the associated lending limits.

The NCUA Board is additionally proposing to remove the provisions in § 741.203(c), which impose the same framework in § 701.21(h) on federally insured, state-chartered credit unions.

¹ The Defense Credit Union Council represents more than 200 defense-affiliated credit unions and over 40 million members—including active-duty servicemembers, Guard and Reserve personnel, veterans, Department of Defense civilians, and military families.

DCUC also supports removing these corresponding provisions because eliminating these duplicative prescriptive requirements would promote regulatory consistency while preserving appropriate supervisory oversight.

DCUC appreciates the NCUA Board's efforts to modernize and streamline prescriptive regulatory requirements while preserving operational flexibility for credit unions. We look forward to working with the NCUA on future initiatives that improve regulatory clarity and reduce compliance burden.

Please contact me at Jason.Stverak@dcuc.org with any questions about DCUC's comments.

Sincerely,



Jason Stverak
Chief Advocacy Officer
DCUC