

NCUA Fines (as updated in 1995 by rule to address inflation)

General fining authority. Violations of:

- Laws or regulations
- Final or temporary orders issued pursuant to (Board opinions on unsafe or unsound condition; temporary C&D orders for unsafe and unsound conditions; removal or prohibition of individuals; suspension, removal, or prohibition for certain criminal offenses; failure to comply with monetary transaction recordkeeping requirements; or prompt corrective action requirements)
- Any condition imposed in writing
- Any written agreement between NCUA and a credit union.

Three general fining tiers:

- **First Tier:** General violations (up to \$7,500 per violation per day)
- **Second Tier:** A violation that includes one of the following (\$37,500 per violation per day):
 - o A pattern of misconduct;
 - o Actual or likelihood of more than a minimal loss to the credit union; or
 - o Pecuniary gain or other benefit to violator.
- **Third Tier:** Must meet at least one criterion from each of two categories: (\$1.375M or 1% of credit union assets per violation per day)
 - o Knowingly:
 - Commits a violation;
 - Engages in an unsafe or unsound practice; or
 - Breaches a fiduciary duty.
 - o Knowingly or recklessly:
 - Causes a substantial loss to the credit union; or
 - Causes the violator to secure a substantial pecuniary gain or other benefit.

Specific fining authorities:

- Failures to file or filing of false or misleading reports of condition:
 - o Inadvertent failures (\$2,200/day)
 - o Non-inadvertent (\$22,000/day)
 - o Knowingly or recklessly not file or filing misleading or false reports (\$1.3M or 1% of the total assets of the CU/day)
- Failure to file certificated statements or filing of misleading or false statements
 - o Inadvertent (\$2,200/day)
 - o Non-inadvertent (\$22,000/day)
 - o Knowing or reckless (\$1.3M or 1% of the total assets of the CU/day)
- Failure to comply with security requirements (\$110/day)
- Failure to require flood insurance (\$385/violation, up to \$130k)