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**TO:** Kansas Chartered Credit Unions  
**SUBJECT:** NCUA Letter to Credit Unions 21-CU-08

### NCUA LETTER TO CREDIT UNIONS 21-CU-08

On August 12, 2021, the National Credit Union Administration (NCUA) issued [Letter to Credit Unions 21-CU-08](#) addressing technology innovation efforts and the implementation of key software tools. In addition, the NCUA is hosting a [webinar](#) on its modernized examination tools on September 8, 2021, for credit unions and examiners.

Delayed one year by the COVID pandemic, NCUA has begun the transition to several new applications which will provide more secure technology for examination and data collection, including MERIT (Modern Examination & Risk Identification Tool) and DEXA (Data Exchange Application).

Credit unions wishing to access these applications must identify up to two (2) individuals as Admin Portal Administrators with delegated responsibility for managing the users for their credit union. **Credit unions are encouraged to wait until notified of their first MERIT exam before requesting access.** Inactivity for a certain period of time will cause the user to request a reset of their access.

NCUA has implemented a central user interface, [NCUA Connect](#), where credit unions can securely interact with NCUA. Training and user guides will be available to credit unions.

MERIT will provide examiners with enhanced and integrated analytics to identify trends and potential risks in credit unions. Examiners will also have the ability to document examination results, generate the report issued to the credit union and formally follow-up on examination concerns. The system also provides examiners the ability to securely interact with credit unions and streamline the examination process. As an online system, MERIT will allow examiners real-time access to other examiners' work which will allow better efficiency.

DEXA is a separate application which provides authorized NCUA, KDCU and credit union users the ability to securely upload credit union member loan and share data requested during the examination. The upload process includes an audit trail to determine files failing to upload.

The system design aligns with industry standards relating to information security and care has been taken to protect sensitive information. KDCU examiners completed MERIT training last week and are looking forward to using the new system.

**NOTE:** In accordance with Governor Laura Kelly's [guidance](#), KDCU Administrator [Vickie Hurt](#) continues to review the feasibility of resuming the on-site examination program. This is being done in coordination with the NCUA.