

Succession Planning & the NCUA Rule

– What Credit Unions Need to Know

Why It Matters

The NCUA's final rule on succession planning requires all federally insured credit unions (FICUs) to maintain a **board-approved written succession plan** that reflects their size, complexity, and risk profile. The agency noted that inadequate succession planning has contributed to leadership disruptions and, in some cases, unplanned mergers.

This rule is not just about compliance. It's an opportunity to strengthen governance, continuity, and leadership stability.

What Examiners Can Request & and How SuccessionHR Can Support

Item / Document	What Credit Unions Need To Provide	SuccessionHR
Board-approved written succession plan	Documented plan approved by the board, tailored to the CU's size and complexity.	
List of covered positions	Identification of board members, management officials, assistant management officials, and other key roles deemed critical.	
Anticipated vacancy or term dates	Indicate for each covered position either term expiration, retirement eligibility, or expected departure (if known).	
Permanent-fill strategy	Description of how vacancies will be filled - internal promotions, external recruitment, or other strategies.	
Recruitment and development approach	Explanation of how potential successors are identified, recruited, or trained; how diversity of skills and perspectives are maintained.	
Budget considerations	Estimated costs of implementing the plan (e.g., recruitment, compensation adjustments, training).	
Board review cadence	Confirmation that the board reviews and approves the plan at least every 24 months and orients new board members within six months.	
Governance documentation	Board minutes or other records showing the plan's review, discussion, and updates.	



Next Steps for Credit Unions

- 1 Assess your current plan**
Determine if your existing documentation meets the new NCUA requirements.
- 2 Engage your board early**
Schedule time for board review and approval before the rule takes effect.
- 3 Identify key positions**
Clarify which roles are critical to your operations and governance.
- 4 Document strategies**
Outline how you'll address vacancies, develop talent, and manage recruitment.
- 5 Plan for updates**
Establish a regular review process (every 12-24 months or as needed) to keep your plan current.
- 6 Integrate succession into culture**
Treat this as part of long-term business continuity and leadership development, not just compliance.

SuccessionHR can help you tackle all of this and make succession planning seamless - transforming a once tedious task into a smooth, rewarding process.



SuccessionHR has been valuable in helping DCCU to build a structure and process around our succession planning initiatives. We have been heavily focused on Leadership Development over the past few years and SuccessionHR supports that initiative by helping to identify potential talent and outlining development opportunities to ensure readiness.

- Melody Godbey, Human Resources AVP, DuPont Community Credit Union