



## PUBLIC PROTECTION CABINET

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## Memorandum

**To:** Kentucky-Chartered Credit Unions

**From:** Marni Rock Gibson, Commissioner  
Department of Financial Institutions (“Department”)

**RE:** Examination Cycle

**Date:** June 4, 2026

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This communication outlines the Department’s standards for executing its supervisory authority of state-chartered credit unions under Kentucky Revised Statute 286.6-100. Effective January 1, 2025, the National Credit Union Administration (“NCUA”) adopted examination scheduling policy changes. To align with the NCUA’s examination scheduling policy, and pursuant to National Association of State Credit Union Supervisors’ accreditation standards, the Department will adopt a similar policy.

The Department will perform annual examinations for credit unions that meet any of the following criteria:

- Received a CAMELS composite or Management component rating of 3, 4, or 5 at the most recent examination;
- Less than well capitalized;
- Outstanding recordkeeping Document of Resolution (“DOR”) item;
- Outstanding enforcement action;
- Operating in a de novo period; or
- Exhibiting an elevated risk profile.

When determining the existence of an elevated risk profile, the Department will consider institutions with:

- Asset sizes approaching \$1 billion;
- CAMELS component ratings of 3, 4, or 5;

- Significant negative financial trends;
- Minimal capital;
- DOR items; and
- Management turnover.

In addition to the regularly scheduled examination, Department examiners will conduct interim targeted, on-site visits, and/or off-site contacts for credit unions with CAMELS composite or any component ratings of 3, 4, or 5.

The Department will perform examinations for non-complex credit unions with assets greater than \$1 billion and CAMELS composite and all component ratings of 1 or 2 every 12-16 months from the date of completion. Credit unions that do not meet the above-mentioned criteria will generally be examined every 14-18 months from the date of completion. The NCUA will coordinate with the Department in examining federally insured credit unions and may conduct such examinations jointly.

The examiner-in-charge will provide notice and a list of requested documents at least 45 days prior to commencing an examination. All requested documents must be prepared and provided by the date specified in the request letter. Requested documents should be provided electronically through a secure electronic exchange or by a password protected or encrypted USB drive.