



# IDFPR

## Illinois Department of Financial and Professional Regulation

Division of Financial Institutions

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Governor

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Acting Secretary

**FRANCISCO MENCHACA**  
Director

**To:** Illinois State Chartered Credit Unions  
**From:** The Illinois Department of Financial and Professional Regulation  
**Date:** February 28, 2022  
**Subject:** Incorporating the “S” Component into the CAMEL Rating System

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The Illinois Department of Financial and Professional Regulation (Department) will incorporate the Sensitivity to Market Risk (or “S” component rating) into its credit union examination program beginning April 1, 2022. This decision follows the National Credit Union Administration’s (NCUA) announcement of the revised CAMEL rating system’s final rule effective date of April 1, 2022 that will add the “S” component to the CAMEL ratings for all federally insured credit unions.

The Department previously announced at the January GAB meeting an effective date of March 1, 2022; however, we will delay the effective date to coincide the NCUA’s planned effective date. The addition of the “S” component will not result in a change in the Department’s supervisory expectations for credit unions as it relates to interest rate risk or asset/liability management. Rather, the Department anticipates that the inclusion of the Sensitivity to Market Risk component assessment and rating will allow for increased clarity and a more accurate assessment and rating of liquidity and funds management as well as market risk and interest rate risk management.

Credit unions examined after April 1, 2022 will be assigned an “S” component rating and Examination Reports issued after this date will include separate written Liquidity and Sensitivity to Market Risk Assessment. The Department will use the definitions for the Liquidity and Sensitivity to Market Risk Ratings from the Uniform Financial Institutions Rating System (UFIRS).

If you have any questions about this notice, please contact the Credit Union Section at [FPR.CreditUnion@illinois.gov](mailto:FPR.CreditUnion@illinois.gov) or 217-782-2834.

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