

**PAPERWORK REDUCTION ACT SUBMISSION  
SUPPORTING STATEMENT  
REQUEST FOR NEW COLLECTION  
3133-NEW  
MEMBER INSPECTION OF CREDIT UNION BOOKS, RECORDS & MINUTES  
APRIL 2007**

**Specific Instructions**

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

*NCUA's proposed rule on member inspection of federal credit union (FCU) books, records and minutes, to be codified at 12 CFR 701.3, standardizes and clarifies the circumstances and conditions under which FCU members may inspect and copy the FCU's books, records of account, and minutes of meetings. The FCU must permit inspection of relevant records if it receives a member petition stating a proper purpose for inspection and signed by at least one percent of members, with a minimum of 20 and a maximum of 250. The members of an FCU own it, and the disclosure requirements placed on an FCU are necessary to ensure transparency and protect the rights of the members.*

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

*The FCU records disclosed to members as a result of a petition will be used by the members to protect their ownership and financial interests. The petition signatures collected by each FCU will be used by the FCU to verify the membership status of each petitioner.*

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

*Member- petitioners may collect electronic signatures if they desire. Under NCUA regulations, federal credit unions may use any format, electronic or other, to maintain, search for and produce responsive records. 12 C.F.R. 749.5.*

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

*There is no duplication. The collection does not require the credit union create new records in response to a member petition, it merely requires the credit union to identify and allow member inspection of existing records.*

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

*NCUA has kept the burden of this proposed collection of information has been reduced to the minimum possible and in keeping with NCUA's supervisory responsibilities. Only the records requested by, and relevant to a proper purpose, need be disclosed by federal credit unions. No records need be disclosed unless one percent of the members, with a minimum of 20 and maximum of 250, sign the requesting petition.*

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

*The collection only arises upon a member request. Less frequent collection is inconsistent with the underlying proposed rule and would not protect the ownership and financial interests of the members.*

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
  - requiring respondents to report information to the agency more often than quarterly;
  - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
  - requiring respondents to submit more than an original and two copies of any document;
  - requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
  - in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
  - requiring the use of statistical data classification that has not been reviewed and approved by OMB;
  - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

*The credit union must respond to a petition within 14 days of receipt. This quick turnaround is necessary to ensure the membership receives relevant records in a timely fashion, particularly when there is a pending membership vote at the credit union. If the credit union needs more than 14 days, it can simply inform the member of that fact within the 14 day time window.*

*The credit union may be required to disclose some information to its members that the credit union believes is confidential. The members, however, are entitled to this information because they own the credit union. The preamble to the rule discusses the confidentiality issue at length and provides that the NCUA regional director can place conditions of the member inspection of records in appropriate cases.*

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 C.F.R. 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments: Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior period. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

*NCUA staff has met with representatives of credit union trade organizations concerning the release of records to FCU members. The proposed 701.3 will be published in the Federal Register with a sixty day public comment period.*

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

*The information collection does not include any payment or gift to respondents.*

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

*The attached proposed rule contains confidentiality provisions and the preamble describes at length what records would receive confidentiality and why.*

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

*This proposed regulation specifically provides that FCUs will not disclose personal information in response to a member request for records.*

12. Provide estimates of the hour burden of the collection of information. The statement should:
  - Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of the differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.
  - If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.
  - Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

*NCUA estimates that, on an annual basis and across all FCUs, there will be only about five member petitions requesting inspection of FCU records. NCUA also estimates that it will take an FCU that receives a petition approximately twenty hours to evaluate the petition, locate the relevant documents, and make them available for inspection and copying. Five petitions times twenty hours per petition equals 100 annual burden hours associated with this proposed collection of information. The NCUA also notes that the costs of document search and duplication will fall on the petitioners and not on the FCU.*

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day ore-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or to keep records for the government, or (4) as part of customary and usual business or private practices.

*Credit unions are required to keep the records members may inspect. Further, the members requesting the records must bear the cost of search and duplication. Therefore any of these costs would be minimal.*

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

*The NCUA will only become involved if either the FCU or their members requests NCUA resolve a dispute concerning a request for records. This would likely happen only once or twice a year. The cost would be minimal.*

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I..

*There are no changes or adjustments. This is a new collection.*

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

*This proposed information collection does not involve results to be published.*

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

*Not applicable because there is no proposed form.*

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

*Not applicable because there are no exceptions.*