

**Supporting Statement for Paperwork Reduction Act Submission
Designation of Low Income Status
OMB Control Number 3133-0117
September 2007**

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.

Under section 107(6) of the Federal Credit Union Act, 12 U.S.C §1757(6), and section 701.34 of NCUA Regulations, 12 C.F.R. §701.34, credit unions that serve predominantly low-income members can accept nonmember share accounts from any source if the credit union obtains a low income designation from NCUA.

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 NCUA uses the information submitted by each credit union to determine whether to grant a low-income designation to the credit union. The information has enabled NCUA to ensure that only credit unions that primarily serve low-income persons accept nonmember deposits from all sources as required by the Act and NCUA Regulations.

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 decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Not applicable.

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.

The information collection (the incomes of the credit union's members) is unique to the credit union and is not duplicated anywhere.

5. If the collection of information impacts small business or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.

Not applicable.

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.

NCUA could not provide any credit union with a low income designation if the collection were conducted less frequently. As a result, the program would cease, and credit unions serving low income members could not supplement their deposit base from alternate sources.

7. Explain any special circumstances that would cause any information to be conducted in a manner inconsistent with 5 CFR § 1320.5(d) (2)

Not applicable. The information collection is conducted in accordance with OMB's guidelines at 5 CFR §1320.5(d)(2).

8. Describe efforts to consult with persons outside the agency:

NCUA consulted with the major credit union trade associations (including the trade association representing low-income credit unions) in the promulgation of this rule. NCUA also consults with each credit union each year as part of its examination process. In addition, a request for public comments on the information collection was published in the Federal Register.

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

There was no decision to provide any payment or gift to respondents.

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

No assurance of confidentiality was provided.

11. Provide additional justification for any question of a sensitive nature:

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden estimate:

NCUA estimates that 15 credit unions will apply for a low-income designation each year. The NCUA staff estimates that, on average, it will take each credit union 15 hours to assemble the necessary information and complete the application, and that it will take three hours for the NCUA to review each application.

15 credit unions x 1 response = 15 responses
15 responses x 15 hours = 225 total annual burden hours

NCUA estimates that it will cost each credit union, on average, \$16.00 per hour to complete the low income designation application. The estimated annual cost to all credit unions will be \$3,600.00 and the estimated annual cost to the NCUA will be \$1260.00. The NCUA's estimates are based upon the experiences of NCUA staff in administering the application process

\$16 hourly cost x 15 hours per application = \$240 per application
\$240 per application x 15 applications per year = \$3,600.00 estimated annualized cost

Once a credit union receives a low income designation, NCUA estimates that the credit union will not incur any additional cost to maintain the designation, because NCUA does require the credit union to submit or maintain any additional information to keep the designation.

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 NCUA estimates that its annualized costs to review each application will be \$1,260.00.

15 responses x 3 hours = 45 review hours
\$28.00 per hour x 45 annual review hours = \$1,260.00 annual cost

14. Provide estimates of annualized cost to the Federal government:

There is no cost to the Federal government.

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.

There are no program changes or adjustments.

16. For collections of Information whose results will be published, outline plans for tabulation, and publication:

There are no plans for publication of results.

B. Collections of Information Employing Statistical Methods

This collection does not employ statistical methods.

