

JUSTIFICATION

For a collection of Information by the National Credit Union Administration 3133-NEW

Chartering and Field of Membership Rules on Underserved Areas, 12 CFR Part 701 2008

1. Explain the circumstances that make the collection of information necessary, include identification of any legal or administrative requirements that necessitate the collection.

Collection is required for a federal credit union to avail itself of the exception to serve underserved areas, 12 USC 1759(c)(2) and 12 CFR 701.1, Appendix B. See attachment.

2. Indicate how, by whom, and for what purpose the information is to be used and the consequence to the federal program or policy activities if the collection of information was not conducted.

12 USC 1759(c)(2), (Section 109 of the Federal Credit Union Act), specifically provides for an exception for underserved areas if the NCUA Board determines that a local community, neighborhood, or rural district is an investment area, is underserved based on NCUA and federal banking agency data, and if the credit union establishes an office in the underserved area. The National Credit Union Administration (NCUA), as the regulatory agency for federal credit unions, has the supervisory responsibility to ensure the requirements are met.

3. Describe any considerations of the use of improved information technology to reduce burden and any technical or legal obstacles to reducing burden.

Federal credit unions can submit their underserved information electronically to NCUA.

4. Describe efforts to identify duplication.

There is little or no duplication. Federal credit unions seeking to serve underserved areas must identify how the area meets the statutory requirements.

5. Show specifically why any similar information already available cannot be used or modified for the purpose described in item 2 above.

A federal credit union seeking to serve an underserved area must demonstrate that that area meets the statutory requirements.

6. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

NCUA provides assistance in submitting information on underserved areas to interested officials.

7. Describe the consequence to the federal program or policy activities if the collection were conducted less frequently.

Frequency is not an issue. A small percentage of credit unions apply to serve underserved areas. NCUA could not fulfill its statutory regulatory responsibility in this area if the "collection" was not completed.

8. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines of 5 C.F.R. 1320.6.

None - the collection is conducted within the Guidelines.

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

Proposed rulemaking is published in the Federal Register 73 Fed. Reg. 34366 (June 17, 2008) and final rulemaking will be also.

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

None.

11. Provide additional justification for any questions of a sensitive nature, etc.

Not applicable. Questions are not of a sensitive nature.

12. Provide estimates of annualized cost to the Federal Government and to the respondents. 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 the paperwork burden.

The information collected will be reviewed by NCUA staff. Therefore, the outside cost to NCUA is negligible.

13. Provide estimates of burden of the collection of information. The statement should: provide number of respondents, frequency of response, annual burden and an explanation of how the burden was estimated.

Respondents:	100
Frequency of response:	1 year
Annual Burden	800 Hours

Estimate based on number of underserved area applications processed. As noted previously, only some credit unions add underserved areas. The burden varies depending on the underserved area the credit union is adding.

14. Explain reasons for changes in burden, including the need for any increase.

NCUA is issuing a proposed rule clarifying and amending its regulation on federal credit unions adding underserved areas.

15. For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of reports, publication dates, and other actions.

Not applicable.