

**Supporting Statement for Paperwork Reduction Act Submission**  
**Golden Parachute and Indemnification Payments under 12 C.F.R. Part 750**  
**OMB Control No. 3133-NEW**  
**2011**

A. Justification

1. Circumstances that make the collection necessary:

NCUA has proposed to adopt a rule to prohibit, with some exceptions, a federally insured credit union (FICU) from making golden parachute and indemnification payments to an institution-affiliated party (IAP). 12 C.F.R. Part 750. Proposed part 750 would impose new information collection requirements. Proposed §750.6 would require requests for an FICU to make nondiscriminatory severance plan payments under §750.1(f)(2)(v) and golden parachute payments permitted by §750.4 to be submitted in writing to NCUA.

2. Use of the information:

The information will be used by the NCUA Board to review FICUs' waiver requests to determine whether an exception to the general prohibition on golden parachute payments should be approved.

3. Consideration of the use of improved information technology:

The FCU Act does not prescribe any particular form for this information collection. Therefore, FICUs may use any information technology available to reduce the burden imposed by the regulation.

4. Efforts to identify duplication:

This collection of information is unique to each FCU and is not duplicated anywhere.

5. Methods used to minimize burden if the collection has a significant impact on substantial number of small entities:

This collection does not have a significant impact on a substantial number of small credit unions.

6. Consequences to the Federal program if the collections were conducted less frequently:

An FICU will only be required to submit a written request to NCUA if they are seeking approval for a severance or golden parachute payment as an exception to the general prohibition under Part 750. It is likely that any request will be a one-time occurrence per requesting FICU.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

These information collections are conducted in a manner consistent with the requirements of 5 CFR Part 1320.

8. Efforts to consult with persons outside the agency:

Notice of the proposed rule and request for comment was published in the Federal Register. 18 comments were received, however no comments were received on the PRA aspects of the rule. NCUA carefully considered all comments it received regarding the proposal.

9. Payment to respondents:

NCUA will make no payments to credit unions for this information collection.

10. Any assurance of confidentiality:

This collection does not require any assurances of confidentiality.

11. Justification for questions of a sensitive nature:

No questions of a sensitive nature are involved.

12. Burden estimate:

Currently, there are 7,498 FICUs. This information collection will only affect troubled FICUs seeking approval to make a severance or golden parachute payment to an IAP. In FY 2009, there were 351 problem FICUs with CAMEL 4 or 5 ratings. Of those, 156 FICUs had less than \$10 million in total assets and 117 FICUs had less than \$100

million in total assets. These smaller FICUs are unlikely to seek NCUA approval to make golden parachute payments because these payments are more typically seen in the executive compensation of larger, more complex FICUs.

Of the remaining 78 larger problem FICUs, NCUA anticipates no more than 20 percent would seek NCUA approval to make a golden parachute payment.

Accordingly, NCUA estimates that 15 FICUs will need to solicit NCUA approval in advance of making a severance or golden parachute payment within the scope of the proposed rule and that preparing the request for approval may take four hours:

15 FICUs x 4 hours = 60 hours.

13. Estimates of total annual costs to respondents

NCUA believes that FICUs will incur minimal additional operational costs as a result of this information collection. NCUA estimates a cost of no more than \$40 per hour per FICU.

\$40 per hour x 4 hours per response = \$160 total cost for each respondent

60 total annual burden hours (15 FICUs respondents x 4 hours each response) x \$40 per hour = \$2,400 annual cost burden.

14. Estimates of annualized cost to the Federal Government:

NCUA estimates the annualized cost burden to the government will be \$7,200.

15 waiver requests x 8 hours for staff review = 120 hours.

120 burden hours x \$60 per hour = \$7,200 annual cost burden.

15. Changes in burden:

There is no change in burden as this is a request for a new collection.

16. Information regarding collections whose results are planned to be published for statistical use:

No data will be published for statistical purposes.

17. Display of expiration date:

Since no specific forms will be used to collect the information, the expiration date will not be displayed.

18. Exceptions to certification statement:

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.