

**Paperwork Reduction Act Collection Justification  
Revisions to NCUA Call Reports  
3133-0004  
April 2013  
PART 1**

**REQUEST FOR OMB REVIEW AND APPROVAL, 3133-0004  
SUMMARY OF PROPOSED CHANGES TO NCUA CALL REPORT AND PROFILE  
DATA COLLECTION**

**PROPOSED CYCLE DATE:** June 30, 2013

**REPORT(S) IMPACTED:** NCUA Call Report Form, NCUA Profile Form

**OMB FORM #:** 3133-0004 (Expires 1/31/2016)

**CALL REPORT PAGE(S) IMPACTED:** Loans – Page 2, Additional Share Information – Page 3, Miscellaneous – Page 6, Delinquency – Pages 7 and 8, Loan Charge Off and Recoveries – Page 9, Unfunded Commitments and Lines of Credit – Page 10, Purchased Credit Impaired Loans – Page 16, Supplemental Investment Information – Page 17

**PROFILE PAGE(S) IMPACTED:** General Information – Page 3, Information Systems and Technology – Page 14, Regulatory – Page 16, Disaster Recovery Information – Page 16, Credit Union Programs and Services – Page 18, Grant Information – Page 19

**SUPPORTING ATTACHMENTS:** June 2013 Profile Form\_Draft for OMB.xlsx, June 2013 Call Report Form\_Draft for OMB.xlsx

**DESCRIPTION OF NCUA PROFILE:** The online system includes an area called the credit union Profile. The Profile contains information about the credit union that infrequently changes. This area includes some read-only chartering information as well as some data we formerly collected on the 5300 Call Report and Report of Official including the following categories:

- Report of Officials and other key contacts at the credit union,
- The main office and any branch offices,
- Information systems and technology services and structure,
- Disaster recovery information,
- Programs and services credit unions offer to their members,
- Regulatory compliance to include the annual financial statement audit, member account verification, and annual meeting dates, etc.
- Grants the credit union has received and any credit union partnerships they have,
- Credit Union Service Organizations they use and have a financial interest in.

Once a credit union enters their initial data, input is only required for additions, deletions, and changes. According to NCUA Rule and Regulations Section 741.6(a)(1), NCUA requires credit unions to update this information within ten days of the election or appointment of officials or thirty days of any other change. This data is editable by credit unions at any time through the online system. This area of NCUA's data collection is less of a burden on the credit union than the data collected through the quarterly 5300

Call Report since there is not a quarterly reporting requirement and the data infrequently changes.

The proposed changes for June 2013 would be added to the Call Report and Profile area of NCUA's data collection.

## **DESCRIPTION OF CHANGE:**

### **Profile Changes**

NCUA is proposing the following additions and revisions to the Profile data collection. These changes will assist NCUA in the offsite monitoring and supervision of credit unions. The following summarizes the proposed changes.

- General Tab- Data collection of the Research Statistics Supervision and Discount (RSSD) number issued by the Board of Governors of the Federal Reserve System. NCUA intends to populate this field with the known RSSD numbers for credit unions. The only burden on credit unions is for additions or modifications to this field.
- Information Systems and Technology - Items 2 – 4 below are an expanded data collection in response to the Consumer Financial Protection Bureau's (CFPB) remittance rule.
  1. Addition of a checkbox if the credit union offers mobile payments as a service they offer electronically.
  2. Four additional checkboxes to collect if the credit union uses a CUSO, CHIPS, EPN or FedGlobal ACH to process electronic payments.
  3. New data collection with two checkboxes to determine where the credit union transfers funds via ACH (domestically, internationally).
  4. New data collection on how credit unions process remittances. This may include categories such as international ACH, international wire transfers and other remittances to assess compliance with the revisions to the Electronic Funds Transfer Act (Regulation E) that implements section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Regulatory
  1. Addition of a text field to collect the name of the audit firm or auditor the credit union uses for their financial statement audit.
  2. Addition of a date field to collect the date of the most recent Bank Secrecy Act Independent Test
  3. New data collection to capture the Supervisory Committee mailing and email address for official NCUA correspondence. This information will assist NCUA in routing inquiries and complaints directly to the Supervisory Committee and will not be released to the public.
  4. Revised the question and clarified the reporting requirements on the last date the credit union filed an EEO-1 Survey Report with the Equal Employment Opportunity Commission.
  5. Addition of a data collection for the credit union to provide any trade names they use for signage or advertising as permitted under NCUA Rules and Regulations §740.2. This information will apprise the NCUA to better answer

inquiries from the public.

- Disaster Recovery – Addition of checkboxes to identify the method(s) used for the disaster recovery test completed by the credit union. We do not intend to release this information to the public on an individual credit union basis.
- Credit Union Member Services – Item 2 below below is an expanded data collection in response to the Consumer Financial Protection Bureau's (CFPB) remittance rule.
  1. Addition of “Prepaid Debit Cards” as a service offered to members.
  2. Addition of a category for remittance transfers with various options including international ACH transactions, low cost wire transfers, proprietary remittance transfer services operated by the credit union and proprietary remittance transfer services operated by another person.
  3. Revision to the minority credit union questions to differentiate between credit unions with minority membership exceeding 50% and credit unions with more than 50% minority management teams. Also, revised the minority checkbox option from “Black American” to “Black or African American.”
- Grant Information
  1. Addition of a field to collect the grant type. This section of the Profile was previously optional. NCUA is proposing to make the grant section of the Profile mandatory if the credit union receives grant funds. This will help NCUA better determine the source and amount of capital and non-operating income from other sources. NCUA estimates the mandatory reporting will impact approximately 200 credit unions.

NCUA believes these questions will not be a significant reporting burden on credit unions. These questions would be added to the Profile section and once a credit union provides a response, they are only required to update this information if it changes. Additionally, for the 98% of credit unions who use the online data collection system, NCUA provides dropdown menus to alleviate confusion and simplify reporting.

### **Call Report Changes**

The proposed changes to the quarterly 5300 Call Report will assist NCUA in offsite monitoring and supervision of credit unions and are based on emerging and existing risks to the National Credit Union Share Insurance Fund (NCUSIF). The following summarizes the proposed changes.

- Page 2 – Miscellaneous loan information - Number and dollar amount of non-federally guaranteed student loans in deferred status.
- Page 3 – Additional Share Information - Amount of business share accounts and amount of negative shares included in loans on page 2.
- Page 6 – Miscellaneous - Amount of grants awarded and received year-to-date. This will help NCUA better determine the amount of capital and non-operating income from grants. NCUA estimates the mandatory reporting will impact

approximately 200 credit unions.

- Page 7 – Delinquency – Number and Amount of delinquent new and used vehicle loans. These figures were previously included with “All Other Loans” on this schedule.
- Page 8 – Additional Delinquency Information – Number and amount of delinquent member and nonmember business loans to match the business loan categories on Schedule A, page 15. We added four new reporting lines for each section; however, we removed information collected on Member and Nonmember Business Loans excluding Agricultural Loans. We also added the number and amount of delinquent loans held for sale.
- Page 9 – Loan Charge off and Recoveries – Year-to-date charge offs and recoveries for new and used vehicle loans, member and non-member business loans, and loans held for sale. Similar to the delinquency page, we removed information collected on Member and Nonmember Business Loans excluding Agricultural Loans.

We also added the number and amount of real estate foreclosures in process. This information will help NCUA identify credit risk in credit union loan portfolios.

- Page 10 – Liquidity, Commitments, and Sources – Amount of unfunded commitments for business loans to match the categories on Schedule A, page 15. Amount of non-committed and committed lines of credit at corporate credit unions, natural person credit unions and other credit lines. Amount of borrowings from corporate credit unions, natural person credit unions, FRB, FHLB, CLF, and other sources.
- Page 16 – Purchased Credit Impaired Loans – Number of loans, contractual balance, nonaccretable balance outstanding, accretable yield outstanding, carrying value of loans, and loans charged off against valuation adjustment accounts. The Carrying Value of Loans and Loans Charged off Against Valuation Adjustment Accounts YTD are both calculated fields.
- Page 17 – Schedule B Investment Supplemental Information – Book value and fair market value of investments used to fund employee benefit plans. For Federal Credit Unions only, we propose collecting investments impermissible under NCUA Rule and Regulations Part 703 but allowed under Section 701.19(c) if directly related to an employee benefit plan obligation.

We are also considering a data collection on different types of derivatives and their associated notional amounts.

**Paperwork Reduction Act Collection Justification**  
**Revisions to NCUA Call Reports**  
**3133-0004**  
**January 2013**  
**PART 2**

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

Sections 106 and 202 of the Federal Credit Union Act require federally insured credit unions to make financial reports to the National Credit Union Administration (NCUA). Copies of these sections are attached as enclosures (1) and (2).

Section 741.6 of the NCUA Rules and Regulations (enclosure 3) requires all federally insured credit unions to submit a Call Report quarterly (enclosure 4). The financial and statistical information is essential to NCUA in carrying out its responsibility for supervising federal credit unions. The information also enables the NCUA to monitor credit unions whose share accounts are insured by the National Credit Union Share Insurance Fund (NCUSIF).

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

The National Credit Union Administration uses the information collected from these Call Reports to fulfill its mission of supervising credit unions and by the Federal Reserve Board to monitor and control the nation's money supply and the system of financial institutions. The information is also used by Congress and by the various state legislatures to monitor, regulate, and control credit unions and financial institutions. The data collected by NCUA is also pertinent to the development of the U.S. Department of Commerce's calculation of the nation's Gross Domestic Product.

The changes made to the Profile and Call Report form for June 2013 will provide data to assist the National Credit Union Administration in assessing financial risks and loan practices of the credit union.

NCUA's also uses the Call Report data to create a Financial Performance Report (FPR) for each reporting credit union. We create and distribute these reports for all federal credit unions; all federally insured state chartered credit unions, and any non-federally insured credit union which voluntarily provides NCUA with Call Report data. NCUA examiners and State Supervisory Authorities (SSAs) also receive copies of the FPRs. The FPRs provide extremely useful financial and managerial information to users which could not otherwise be provided without the collection of information via the Call Report.

- 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.**

The individual credit union is the sole source of information regarding the sum of its financial information, statistics and operations. As of September 30, 2012, 98% of all federally insured credit unions use NCUA's web-based data collection system to submit their data. The other 2% of credit unions do not have Internet access and submit their data to NCUA via a paper form of the appropriate Call Report. NCUA staff or State Supervisory Authorities upload the data to NCUA's computer network. NCUA's computers perform a series of sophisticated edits and calculations, thereby minimizing the amount of information required, and reducing the burden to reporting credit unions.

### **Credit Union Profile**

The online system includes an area called the credit union Profile. The Profile contains information about the credit union that infrequently changes. This area includes some read-only chartering information as well as some data we formerly collected on the 5300 Call Report and Report of Officials including the following categories:

- Report of Officials and other key contacts at the credit union.
- The main office and any branch offices.
- Information systems and technology services and structure.
- Disaster recovery information.
- Programs and services credit unions offer to their members.
- Regulatory compliance to include the annual financial statement audit, member account verification, and annual meeting dates, etc.
- Grants the credit union has received and any credit union partnerships they have (optional reporting).
- Credit Union Service Organizations credit unions use and have a financial interest in.

Once a credit union enters their initial data, input is only required for additions, deletions, and changes. Under NCUA Rule and Regulations Section 741.6(a)(1), credit unions must update this information within ten days of the election or appointment of officials or thirty days of any other change. Credit unions can edit this data at any time through the online system. This area of NCUA's data collection is less of a burden on the credit union because NCUA does not require quarterly reporting and the data infrequently changes. The proposed changes for June 2013 includes accounts to the Profile area of NCUA's data collection.

We continue to collect credit union financial data through the 5300 Call Report quarterly.

### **Manual Credit Unions vs. Online Filers**

Although majority of credit unions have the capability to use the online system, there are a small number of credit unions that do not have Internet access and will be unable to input their information. We identify these credit unions as manual filers and they receive a Profile Form and a 5300 Call Report Form each quarter. The credit union completes both forms and sends them to the NCUA or State Supervisory Authority representative for input into the online system. After the initial input of Profile information, the examiner only updates this information with any changes. Online filing credit unions only receive an email notification about the cycle each quarter. Approximately 2% of federally insured credit unions file manually each cycle.

## **4. Describe efforts to identify duplication.**

Aside from the Call Report data gathering cycles, NCUA makes no other comprehensive collection of data. There is no duplication of effort at the federal level. At the state level, NCUA works in close cooperation with the National Association of State Credit Union Supervisors (NASCUS), which represents the SSAs in all states. This cooperative relationship with NASCUS representatives, and with individual SSAs as necessary, results in a mutually beneficial effort to develop the forms and one complete data collection used by both federal and state regulators. NCUA freely offers to collect all the data, process it, and to provide the information in a convenient electronic format back to the SSAs.

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

NCUA minimizes the burden to small credit unions in a number of ways. NCUA's online data collection program performs extraneous calculations where appropriate and necessary to derive various balance sheet items, produce ratios, compare peer groups, etc. We further minimize the burden by using a format and terminology that are familiar to credit union personnel.

**Manual Credit Unions vs. Online Filers**

Although majority of credit unions have the capability to use the online system, there are a small number of credit unions that do not have Internet access and will be unable to input their information. NCUA identifies these credit unions as manual filers and they receive a Profile Form and a 5300 Call Report Form each quarter. The credit union completes both forms and sends them to the NCUA or State Supervisory Authority representative for input into the online system. After the initial input of Profile information, the examiner only updates this information with any changes. Online filing credit unions only receive an email notification about the cycle each quarter. Approximately 2% of federally insured credit unions file manually each cycle.

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

Economic conditions impose a tremendous responsibility on NCUA for reacting quickly to protect the accounts of the nation's credit union membership (over 89 million people). NCUA's ability to act quickly to prevent financial loss, both to credit union members and the National Credit Union Share Insurance Fund (NCUSIF), requires frequent monitoring and surveillance. NCUA approved quarterly reporting for all federally insured credit unions to better utilize supervision resources and assess risk to the NCUSIF. NCUA instituted innovations to its examination program that reduced the frequency of onsite contacts for credit unions meeting certain criteria.

The consequences of non-collection are severe. Neither the SSAs nor NCUA would have the means to effectively conduct offsite monitoring and supervision of their respective credit unions. Credit unions would lose the valuable information contained on the FPR. The FPR is an indispensable tool of financial management, especially in today's complex and changing economy.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines on 5 CFR 1320.6.**

NCUA conducts the collection entirely within the guidelines outlined in 5 CFR 1320.6.

**8. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. 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 record keeping, the disclosure, or reporting format, and the data elements to be recorded, disclosed, or reported.**

Solicitations for comments were published in the Federal Register on March 11, 2013 (78 FR 15382) and on May 3, 2013 (78 FR 26086). So far, NCUA has received only one comment in response to the proposed changes to this collection. The comment period closes on June 3, 2013. The comment was received from the Bureau of Economic Analysis (BEA), who "strongly supports the continued collection of data by the National Credit Union Administration on form NCUA 5300, Semi-Annual and Quarterly Call Reports." BEA went on to state that NCUA's collection of information from the Call Report is "our main data source for key components of BEA's economic statistics."

NCUA has an ongoing commitment to communicate and interact with the SSAs, NASCUS, and various credit union trade associations. Typically, NCUA receives comments and suggestions from the SSAs and trade associations throughout the year. NCUA considers all comments when we revise the Call Report form each year or we change the data collection.

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

Credit unions do not provide payment, gift, or remuneration for completion of the required Call Report. The law requires Call Report submission (see item 1).

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

Call Report data, for most parts, is public information subject to release under the Freedom of Information Act. NCUA provides this information to the general public on NCUA's website ([www.ncua.gov](http://www.ncua.gov)). However, certain Call Report and Profile information and any information obtained by and reports issued as part of NCUA's supervisory process are confidential and exempt from release under the Freedom of Information Act.

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

The new proposed data collection fields are critical for adequate offsite monitoring, trending, and risk analysis of federally insured credit unions.



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

NCUA estimates the average amount of time needed to complete the forms to be 6.6 hours. We applied this average to 6,864 credit unions. The following costs are estimated for the proposed rule:

Staff time – 6.6 hours per reporting unit per reporting cycle.

**Of these 6.6 hours, NCUA contributes 1 hrs to inputting the initial June 2013 Profile changes. See Section number 15 for detailed information on these changes.**

TOTAL ANNUAL RESPONDENTS' COST IN HOURS: 181,210 hours  
TOTAL ANNUAL RESPONDENTS' COST IN DOLLARS: \$5,318,513

(Dollar cost is estimated using a computed average hourly wage from Call Report data. The computed average hourly wage is \$29.35)

The source of information for the majority of the questions on the form is the monthly financial statements and reports prepared by all credit unions in their normal course of business. Furthermore, NCUA provides advance notification to credit unions of the revisions or changes to reporting. Credit unions can then modify their automated or manual record keeping systems as necessary before the actual collection of data begins.

**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.)**

Credit unions use the same equipment for their daily operations and to collect and prepare the Call Report. NCUA does not require any special or additional equipment; therefore, there is no additional cost.

**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.**

Staff

Central Office:  
Analyst staff - 2 full-time persons \$250,000  
Technical data processing support staff \$1,001,880  
  
Regional Offices:  
Regional office staff – 320 hours @ \$55/hr. \$17,600  
Examiner field staff – 44,664 hours @ \$38/hr. \$1,697,232

Printing, Assembly, and Mailing

\$90,000

TOTAL ANNUAL FEDERAL GOVERNMENT COST:

\$3,056,712

The estimate of annual costs to the Federal Government includes all costs associated with the collection, processing, and distribution of information. However, these costs are offset through NCUA's Risk Based Examination Scheduling program. The program permits the deferral of a number of federal credit union examinations for one examination cycle for credit unions that meet certain safety and soundness criteria. NCUA's monitoring of financial trends helps reduce the risk to the NCUSIF for losses in an ever-changing economic environment.

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

Item 13 of OMB Form 83-I notes a decrease of 6,045 hours from the last submission (2012). The decrease is a result of an adjustment to the number of credit unions completing the Call Report from 7,093 to 6,864. This decline is from credit union mergers or liquidations.

Item 14 of OMB Form 83-I notes no program changes; however, the estimated hours for the NCUA examiners includes a one hour per credit union for Financial Performance Report (FPR) analysis for all federally insured credit unions. NCUA generates the FPR after the examiner or SSA validates the 5300 Call Report.

NCUA examiners only validate federally chartered credit unions (4,302 charters). Only in special circumstances does NCUA validate the state-chartered, federally insured credit union 5300 reports. The total hours for the 5300 portion actually declined from 17,788 to 17,208 from federally chartered credit union mergers and liquidations. The FPR review portion does include analysis of all federally insured credit unions. The FPR portion totals 27,456 hours annually (6,864 FICUs x 4 cycles).

In summary, NCUA calculates the total Examiner hours of 44,664 listed under Item 14 as follows:

<b>5300 Portion</b>	<b>17,208 hours</b>	<b>4,302 FCUs x 4 cycles</b>
<b>FPR Review Portion</b>	<b>27,456 hours</b>	<b>6,864 FICUs x 4 cycles</b>
<b>Total</b>	<b>44,664 hours</b>	

**IMPACT OF JUNE 2013 CHANGES**

These changes will assist NCUA in monitoring existing and emerging risks and financial trends within the industry. For majority of these changes, credit unions should already be monitoring these financial trends during their normal course of business and risk analysis. Several of the new data collection items are to monitor compliance with various regulations (see the Description of Changes on page 1).

We estimate it will take no more than 1 hour for a credit union to complete the proposed Profile fields.

**16. For collections of information whose results are planned to 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.**

The Financial and Statistical Report/Call Report project timetable (The 22nd of each quarter is an approximate date) is:

March 31 Collection

April 22	Forms Due
April 22 - May 6	Forms Processed
May 7 - May 21	Reports Prepared
May 7 - June 4	Data Finalized and Distributed

June 30 Data Collection

July 22	Forms Due
July 22 - August 5	Forms Processed
August 6 - August 20	Reports Prepared
August 6 -September 3	Data Finalized and Distributed

September 30 Collection

October 22	Forms Due
October 22 - November 5	Forms Processed
November 8 - November 22	Reports Prepared
November 8 - December 7	Data Finalized and Distributed

December 31 Data Collection

January 24	Forms Due
January 25 - February 7	Forms Processed
February 8 - February 22	Reports Prepared
February 8- March 7	Data Finalized and Distributed

**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.**

NCUA is not requesting this action.

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

There are no exceptions to the certification statement.