

OMB Control Number 3133-0169
Supporting Statement for Paperwork Reduction Act Submission
Purchase of Assets and Assumption of Liabilities
2013

A. Justification

1. Circumstances that make the collection necessary:

This information collection is required under Section 205 of the Federal Credit Union Act (FCU Act) to allow federally-insured credit unions (FICUs) to purchase assets or assume liabilities of privately-insured credit unions, other financial institutions, or their successor in interest. Subsections 205(b)(1) and (3) of the FCU Act provide that no FICU can transfer assets to or assume liabilities of any credit union or institution, except with the prior approval of the National Credit Union Administration (NCUA) Board. 15 U.S.C. 1785(b)(1), (3). 12 CFR 741.8 implements the requirements of the FCU Act.

2. Use of the information:

FICUs will apply to the NCUA for approval to purchase assets or assume liabilities of privately-insured credit unions or other financial institutions. NCUA will use the information in the application to determine the safety and soundness of the transaction and risk to the National Credit Union Share Insurance Fund (NCUSIF).

3. Consideration of the use of improved information technology:

The information collection is drawn from internal credit union records. FICUs may use any technology that facilitates submission and permits review, as appropriate, by NCUA.

4. Efforts to identify duplication:

The collection of information in 12 CFR 741.8 differs from those required under 12 CFR Parts 708a and 708b. While it is anticipated that FICUs will include purchase and assumption requests with merger or conversion applications, the FCU Act specifically requires that FICUs receive NCUA approval for these transactions that are not part of a merger or conversion. Therefore, no duplication exists.

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

As noted below, NCUA estimates only five requests annually and concludes, therefore, that this information collection will not have a significant impact on small businesses or other small entities.

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

The FCU Act requires FICUs to get approval for purchase and assumption transactions before consummating them. FICUs will apply for approval for these transactions only if necessary.

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

This information collection will not occur regularly, but only when an FICU needs approval for a purchase or assumption transaction.

8. Efforts to consult with persons outside the agency:

Notice of the proposed collection and a request for public comment was published in the Federal Register with a 60-day comment period on July 19, 2013 (78 FR 43241). No comments were received regarding this collection.

9. Payment to respondents:

No payment will be provided to respondents.

10. Any assurance of confidentiality:

While the regulation does not have an express assurance of confidentiality, the request for approval, like all credit union data, would not be available to the public if exempt under NCUA Freedom of Information Act regulation, 12 CFR Part 792.

11. Justification for questions of a sensitive nature:

No questions of a sensitive nature are involved.

12. Burden estimate:

The number of potential respondents includes 6,753 credit unions, the total number of FICUs as of March 31, 2013. The requirements of the regulation only apply to FICUs that intend to purchase assets or assume liabilities of a privately-insured credit union or other financial institution. NCUA cannot currently predict with certainty how many of these FICUs will be subject to this data collection. In recent years, however, NCUA has received less than five requests. Accordingly, NCUA estimates that it will receive one request per region annually.

5 respondents @ 1 response = 5 responses
5 responses @ 1 burden hours = 5 burden hours

NCUA anticipates an FICU's application for approval to purchase assets or assume liabilities of a privately-insured credit union or other financial institution would consist of a cover letter and any transaction documents already prepared by the FICU in conjunction with the anticipated purchase or assumption. NCUA believes this would take one hour or less to prepare and transmit the cover letter and attach any additional documents. The term "transaction documents" include contracts, agreements, letters, offers, or similar documents already created between two parties as evidence of a transaction or negotiation. NCUA does not require FICUs to prepare these documents and believes they are created in the regular course of business. Therefore, NCUA has used one burden hour per credit union per filing required from an FICU to prepare a letter requesting NCUA's approval of the transaction and describing the transaction.

13. Estimates of total annual costs to respondents

FICUs should be able to prepare the submission in less than an hour and use available equipment and staff to comply with this data collection. Therefore, the cost to the respondent, if any, would be de minimus.

14. Estimates of annualized cost to the Federal Government:

This collection does not involve any unique costs to the agency. Review of the submissions is part of the usual and customary supervision of credit unions.

15. Changes in burden:

This is a reinstatement. There are no program changes.

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

The purpose of this information collection is to ensure FICU's comply with regulatory standards, and NCUA does not contemplate that any of the information collected will be published for statistical use.

17. Display of expiration date:

Since this information collection is described in a regulation and will not be collected in any specific form, 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.