

Supporting Statement
Records Preservation under 12 C.F.R. Part 749
OMB Control Number 3133-0032
2013

A. Justification

1. Circumstances that make the collection necessary:

Part 749 of the NCUA Rules and Regulations requires all federally insured credit unions to have a records preservation program. The program must be in writing and include a schedule for the storage and destruction of records and emergency contact information for employees, officials, regulatory offices, and vendors used to support vital records. The collection of information is authorized by sections 120, 203, and 209 of the Federal Credit Union (FCU) Act, 12 U.S.C. §§1766, 1783, and 1789, and Part 749 of the NCUA Regulations, 12 C.F.R. Part 749.

2. Use of the information:

The records preservation program requirement enables federally-insured credit unions (FICUs) to reconstruct their vital records in the event records are destroyed by a catastrophe and facilitates restoration of vital member services.

3. Consideration of the use of improved information technology:

The FCU Act does not prescribe any particular form in which the collected information must be kept. Therefore, to the degree that credit unions have available to them technology that would simplify maintaining the necessary information, they may use it to reduce the burden imposed by the regulation.

4. Efforts to identify duplication:

This collection of information is unique to each FICU 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:

A FICU is required to maintain a written vital records preservation program that includes a schedule for the storage and destruction of records. The program does not have to be submitted to the NCUA but should be available for review by examination staff. The frequency of collection will be unique to each credit union based on its operations, storage schedule, and storage methods, but occurs on a flow basis at least quarterly. Less frequent collection would substantially impair a credit union's ability to reconstruct its records accurately and quickly. Consequently, service to members after a catastrophe would be delayed.

7. Special circumstances necessitating collection inconsistent with 5 C.F.R. Part 1320:

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

8. Efforts to consult with persons outside the agency:

Notice of the proposed information collection was published with a 60-day comment period in the Federal Register on July 19, 2013 (78 FR 43229). NCUA did not receive any comments regarding the collection.

9. Payment to respondents:

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

10. Any assurance of confidentiality:

Credit unions will not provide the information preserved to NCUA. Credit unions will retain the information for use in the event of a catastrophe. Therefore, the 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:

As of March 31, 2013, there were 6,753 FICUs. NCUA estimates 5 new FICUs will be chartered in 2013. Each FICU is subject to the records preservation program requirements and will reduce its existing program to writing, include emergency contact information, and continue to store duplicate vital records at a vital records center. NCUA believes that the required record preservation program is a simple, usual, and customary business practice and estimates that two hours is an appropriate recordkeeping burden. For new FICUs, this estimate is eight hours to develop a new program rather than maintain one already in place.

6,753 respondents/recordkeepers x 2 hours = 13,506 annual hours.

5 respondents/recordkeepers x 8 hours = 40 annual hours

Total annual hours = 13,546 annual hours

13. Estimates of total annual costs to respondents

NCUA estimates the labor cost for each FICU to be \$31.56 per hour. Therefore, total cost to respondents is:

13,546 hours x \$31.56 = \$427,511.76 total annual cost.

14. Estimates of annualized cost to the Federal Government:

There are no costs to the Government with this collection.

15. Changes in burden:

NCUA has modified the cost basis for this estimate to focus on the recordkeeping labor cost of maintaining a records preservation program rather than the technology cost to store records offsite. This is the primary reason why the total annual burden has decreased, along with a decline in the number of FICUs from 8,420 to 6,753 and newly chartered FICUs from 15 to 5.

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.