

**Supporting Statement for Paperwork Reduction Act (PRA) Submission  
To Reinstate and Amend the PRA for  
Federal Credit Union Bylaws, 12 CFR 701.2, and App. A to Part 701  
OMB Control Number 3133-0052  
2013**

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

The Federal Credit Union (FCU) Act requires the National Credit Union Administration (NCUA) Board to prepare bylaws for FCUs. 12 U.S.C. 1758. After consideration of public comment, the NCUA Board adopted the attached FCU Bylaws and incorporated them into NCUA's regulations at 12 CFR 701.2 and Appendix A to Part 701, in 2007. Unless a federal credit union adopted its bylaws before November 30, 2007, it must adopt these 2007 bylaws. This collection is a reinstatement of prior collections, which have since expired or combined, including, for example, 3133-0052, 3133-0057, and 3133-0081.

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

The bylaws address a broad range of matters concerning: an FCU's organization and governance; the FCU's relationship to members; and the procedures and rules an FCU follows. The FCU uses the information it collects and maintains pursuant to the bylaws in its operations and to provide services to its members. The NCUA uses the information both to regulate FCUs to protect consumers and monitor their safety and soundness to protect the National Credit Union Share Insurance Fund.

**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 decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

FCUs use available information technology to retain records and to provide records to NCUA electronically.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The bylaws supplement broad provisions of: an FCU's charter, which establishes an FCU's existence; the FCU Act, which establishes FCU powers; and other NCUA regulations, which implement the FCU Act. The bylaws' information collection requirements supplement the ones in these aforementioned provisions, but are not duplicated anywhere.

**5. *If the collection of information impacts small business or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.***

Not applicable.

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

As a legal matter, an FCU's bylaws must conform to and cannot be inconsistent with any provision of its charter, the FCU Act, NCUA regulations, or other laws or regulations applicable to the FCU's operations.

**7. *Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR § 1320.5(d) (2)***

The collection will not cause information to be collected in a manner inconsistent with the regulation above.

**8. *Describe 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 29, 2013 (78 FR 45569). NCUA did not receive any comments regarding the collection.

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

There is no decision to provide any payment or gift to respondents.

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

There is no assurance of confidentiality provided to respondents.

**11. *Provide additional justification for any question of a sensitive nature:***

There are no questions of a sensitive nature.

**12. Provide estimates of the hour burden estimate:**

NCUA staff reviewed all of the articles of the FCU Bylaws for information collection requirements.

As a preliminary matter, those persons choosing to organize a new FCU must comply with certain information collection requirements upon starting the FCU and first adopting these bylaws. Over the past three years, organizers have established an average of approximately two new FCUs each year. We estimate each new FCU must spend approximately 20 hours to initially comply with the bylaws' information collection requirements (ICR), for a total annual collection of 40 hours.

ICR: new federal credit union bylaws collection requirements.

Respondents/record-keepers: 2.

Estimated annual burden: 20 hours.

Total annual hours: 40 hours.

For current FCUs, it has been a usual and customary business practice, since their initial charter dates, to collect and maintain any information as specified the bylaws. To determine the current annual burden hours for this collection, NCUA staff recently reviewed each Article of the FCU Bylaws. Staff identified the following articles as containing ICRs with the following number of respondents and the estimated annual burden in hours.

Article II. Qualifications for Membership

ICR: Membership applications

Respondents: 1,461,335

Estimated annual burden: 15 minutes per application

Total annual hours: 365,334

ICR: Membership denial

Respondents/record-keepers: 1055 [ $\frac{1}{4}$  of all FCUs deny one member per year]

Estimated annual burden: 15 minutes per denial

Total annual hours: 263.75

Article IV. Meetings of Members

ICR: Notices related to member meetings

Respondents/record-keepers: All FCUs (4,220)

Estimated annual burden: 1 hour

Total annual hours: 4,220

Article V. Elections

ICR: Collecting and maintaining information for FCU elections

Respondents/record-keepers: All FCUs (4,220)

Estimated annual burden: 8 hours

Total annual hours: 33,760

\*Please note Article V, section 6, contains an ICR on the report of officials. This ICR is addressed in another NCUA PRA submission, 3133-0004.

Article VI. Board of Directors

ICR: Board meeting notices

Respondents/record-keepers: All FCUs (4,220)

Estimated annual burden: 1 hour

Total annual hours: 4,220

Article XVI. General

ICR: FCU recordkeeping specified in sections 5 and 6. This includes, for example, the time that it takes each FCU time to prepare and maintain the minutes of its board meetings, annual meeting, and committees meetings. NCUA's estimate also includes retention of the FCU's certificate of incorporation, bylaws, and any records of bylaw amendments, which occur infrequently.

Respondents/record-keepers: All FCUs (4,220)

Estimated annual burden: 12 hours (1 hour per month)

Total annual hours: 50,640

Here are the total numbers:

Respondents: All FCUs and, for Art. 2, new members

Estimated No. of Respondents/Recordkeepers: 4,220 FCUs and 1,461,335 new members = 1,465,555

Estimated Total Annual Hours Requested: 458,477.75

NCUA does not believe that FCUs will incur any additional labor costs as a result of the bylaw requirements since these are in accordance with the FCUs' usual and customary business practices. The FCU bylaws address integral parts of an FCU's operations as member-owned, not-for-profit financial cooperatives. Since an FCU could not operate as a federally chartered and insured credit union without complying with these collections, there is no additional labor cost burden.

**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).**

(a) Total capital and start-up costs: None.

(b) Total operation and maintenance and purchase of services: None.

**14. Provide estimates of annualized cost to the Federal government:**

There is no cost to the federal government.

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.**

The program changes or adjustments are a result of the agency's routine review of information collection requirements and the continuing trend of annual decreases in the number of FCUs.

**16. *For collections of Information whose results will be published, outline plans for tabulation, and publication:***

Not applicable.

**B. *Collections of Information Employing Statistical Methods***

The collection does not employ statistical methods.