

**Supporting Statement for Paperwork Reduction Act (PRA) Submission
To Reinstate and Amend the PRA for
Designation of Low Income Status
OMB Control Number 3133-0117
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 Act authorizes the NCUA Board to define low-income members so that credit unions with a membership serving predominantly low-income members can benefit from certain statutory relief and receive assistance from the Community Development Revolving Loan Fund. 12 U.S.C. 1757. To use this authority a credit union must receive a low-income designation from NCUA as described in NCUA's regulations at 12 CFR 701.34.

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 NCUA uses the information submitted by each credit union to determine whether they meet the criteria for a low-income designation. The information enables NCUA to ensure that only credit unions that serve predominantly low-income persons are granted the low-income designation and receive the benefits associated with the designation.

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.*

New information technology is utilized to reduce the data collection and reporting burden. Credit union member address data is used for analysis in the NCUA Low-Income Designation(LID) Tool. A credit union's member address data is either obtained through their most recent NCUA examination file or electronic attachments provided to NCUA from their computers. If a credit union does not qualify for the designation through analysis in the LID Tool a credit union may submit a statistically valid sampling of member income data as evidence they qualify for the designation. Credit unions may draw this sample from loan files or conduct a member income survey.

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.*

There is no duplication.

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.*

NCUA could not validate any credit union's existing members meet the requirements for low-income designation if the collection was not conducted. As a result, the program would cease, and credit unions serving low-income members would not have access to the benefits provided to low-income designated credit unions.

7. **Explain any special circumstances that would cause an information collection be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not be reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

None. The collection is done within the Guidelines.

8. Describe efforts to consult with persons outside the agency:

Notice of the proposed information collection and request for public comment was published with a 60-day comment period in the Federal Register on August 12, 2013 (78 FR 48912). 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.

Respondents who submit data about their financial activities would be protected under NCUA's regulation implementing the Freedom of Information Act, which protects information related to its supervision of financial institutions. The designation of a credit union as low-income is public information.

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

There are no questions of a sensitive nature as described in this factor.

12. Provide estimates of the hour burden estimate:

NCUA estimates that 260 credit unions will apply for a low-income designation using the LID Tool and 5 credit unions will apply using the sampling method. The NCUA staff estimates that, on average, it will take each credit union 15 minutes to assemble the necessary information to apply with the LID Tool and 40 hours to apply with the sampling method with the following number of respondents and estimated annual burden in hours summarized below:

- Respondents: 265 credit unions (260 credit unions utilizing LID tool, 5 credit unions using sampling method)
- Estimated annual burden: 15 minutes for LID Tool, 40 hours for sampling method
- Total annual hours: 265 hours

NCUA does not believe that FCUs will incur any additional labor costs as a result of the requirements for CUs to apply for low-income status.

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: If a credit union uses the services of a contractor or other outside party to assist in developing and conducting a member survey or loan sample, the costs are estimated at approximately \$4,000. NCUA estimates the total collection burden represented by this proposal as follows:
- Respondents: 5 credit unions
 - Estimated annual burden: 40 hours
 - Total annual hours: 200
 - Annual cost burden: \$20,000

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

The information collected will be reviewed by NCUA staff. Therefore, the outside cost to NCUA is negligible.

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

Reinstatement and revisions with updated number of respondents and burden hours.

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

Credit unions may apply for the low-income designation using a statistically valid sampling of member income data. This sample may be drawn from loan files or a member income survey. The credit union must also provide a narrative describing the sampling techniques and evidence supporting the validity of the analysis to demonstrate the results are from a statistically valid random sample.