

**SUPPORTING STATEMENT**  
**for the Paperwork Reduction Act Information Collection Submission for**  
**Golden Parachute and Indemnification Payments under 12 C.F.R. Part 750**  
**OMB Control No. 3133-0183**

**A. JUSTIFICATION**

**1. Necessity of Information Collection**

NCUA's regulations prohibit, with some exceptions, a federally insured credit union (FICU) from making golden parachute and indemnification payments to an institution-affiliated party (IAP). 12 C.F.R. Part 750. Part 750 imposes information collection requirements. Specifically, §750.6 requires requests for an FICU to make nondiscriminatory severance plan payments under §750.1(f)(2)(v) and golden parachute payments permitted by §750.4 to be submitted in writing to NCUA.

**2. Purpose and Use of the Information Collection**

The information will be used by the NCUA Board to review FICUs' waiver requests to determine whether an exception to the general prohibition on golden parachute payments should be approved.

**3. Consideration Given to Information Technology**

The FCU Act does not prescribe any particular form for this information collection. Therefore, FICUs may use any information technology available to reduce the burden imposed by the regulation.

**4. Duplication**

This collection of information is unique to each FICU and is not duplicated anywhere.

**5. Effect on Small Entities**

This collection does not have a significant impact on a substantial number of small credit unions.

**6. Consequences of Not Conducting Collection**

An FICU will only be required to submit a written request to NCUA if they are seeking approval for a severance or golden parachute payment as an exception to the general prohibition under Part 750. It is likely that any request will be a one-time occurrence per requesting FICU.

**7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)**

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

**8. Consultations Outside the Agency**

The required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published. No public comments were received.

**9. Payment or Gift**

There is no intent by NCUA to provide payment or gifts for information collected.

## 10. Confidentiality

Credit union examination reports and any documents related thereto are exempt from the Freedom of Information Act disclosure, pursuant to exemption 8, 5 U.S.C. 552(b)(8).

## 11. Sensitive Questions

No questions of a sensitive nature are asked. The information collection does not collect any Personally Identifiable Information (PII).

## 12. Burden of Information Collection

As of June 30, 2014, there are 6,429 FICUs. This information collection will only affect troubled FICUs seeking approval to make a severance or golden parachute payment to an IAP. As of June 30, 2014 there were 278 problem FICUs with CAMEL 4 or 5 ratings. Of the 278 problem credit unions there are 251 having less than \$100 million in total assets that are unlikely to seek NCUA approval to make golden parachute payments, which leaves 27 FICUs eligible. These smaller FICUs are unlikely to seek NCUA approval to make golden parachute payments because these payments are more typically seen in the executive compensation of larger, more complex FICUs.

Of the remaining 27 larger problem FICUs, NCUA anticipates no more than 20 percent would seek NCUA approval to make a golden parachute payment.

Accordingly, NCUA estimates that 5 FICUs will need to solicit NCUA approval in advance of making a severance or golden parachute payment within the scope of the rule and that preparing the request for approval may take four hours:

5 FICUs x 4 hours = 20 hours.

Information Collection Activity	Number of Respondents	Frequency of Response (Annual (1), Quarterly (4), etc.)	Number of Responses	Burden Hours per Response	Annual Hourly Burden
	(A)	(B)	(C)	(D)	(E)
1 <i>Written NCUA approval in advance of making a severance or golden parachute payment</i>	5	1	5	4 Hours	20 Hours
<b>Total</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>4 Hours</b>	<b>20 Hours</b>

## 13. Costs to Respondents

NCUA believes that FICUs will incur minimal additional operational costs as a result of this information collection. NCUA estimates a cost of no more than \$40 per hour per FICU, for an annualized cost burden of \$800.

20 burden hours x \$40 per hour = \$800 annual cost burden.

<b>Information Collection Activity</b>	<b>Annual Hourly Burden</b> (see 12 above, item E)	<b>Hourly \$ Rate per Response</b>	<b>Total \$ Amount</b>
1. <i>Written NCUA approval in advance of making a severance or golden parachute payment</i>	20 Hours	\$40.00	\$800.00
<b>Total</b>	<b>20 Hours</b>	<b>\$40.00</b>	<b>\$800.00</b>

#### **14. Costs to Federal Government**

NCUA estimates the annualized cost burden to the government will be \$2,400.

5 waiver requests x 8 hours for staff review = 40 hours.

40 burden hours x \$60 per hour = \$2,400 annual cost burden.

#### **15. Changes in Burden**

The reduction in burden reflects updated data since this information collection was last approved in 2011.

#### **16. Information Collection Planned for Statistical Purposes**

Not applicable. The information collection is not used for statistical purposes.

#### **17. Approval to Omit OMB Expiration Date**

NCUA is not seeking approval to omit the expiration date.

#### **18. Exceptions to Certification for Paperwork Reduction Act Submissions**

This collection complies with the requirements in 5 CFR 1320.9.

### **B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not involve statistical methods.