

**SUPPORTING STATEMENT**  
**for the Paperwork Reduction Act Information Collection Submission for**  
**Involuntary Liquidation Proof of Claim Form and Instructions**  
**OMB Control No. 3133-NEW**

**A. JUSTIFICATION**

**1. Necessity of Information Collection**

The National Credit Union Administration (NCUA) is appointed liquidating agent of a credit union when the credit union is placed into involuntary liquidation. The Federal Credit Union Act (12 U.S.C. §1787(b)), Section 709.4(b), and Section 709.6 of the NCUA Rules and Regulations (12 C.F.R. Part 709), instructs creditors to present a written claim to the liquidating agent by the date specified in the notice to creditors. The collection of information requirement is that those creditors making a claim must document their claim in writing and submit a form to the liquidating agent. In addition, the liquidating agent may require a claimant to submit supplemental evidence to support its claim. This collection of information is necessary to protect the National Credit Union Share Insurance Fund in determining valid claims.

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

NCUA (as liquidating agent) uses the information to determine if a valid claim has been made against a liquidated credit union. Entities would be notified of the need to submit a claim via a published notice, by NCUA or in some cases, a letter sent directly to them. Generally, each creditor would have one claim against the liquidated credit union. The liquidating agent would then use the information in the submitted form to evaluate it for payment.

**3. Consideration Given to Information Technology**

Creditors may submit claims via email or mail.

**4. Duplication**

There is no duplication. Currently, claimants submit a letter or invoice to make a claim, however, they are not always clearly identified as being claims against the liquidated credit union.

**5. Effect on Small Entities**

There is no reduction in the burden requirement for small entities.

**6. Consequences of Not Conducting Collection**

Without collecting this information, NCUA would not be aware of claims and could not evaluate them. Additionally, this information ensures that NCUA is in compliance with tax reporting requirements. Since this is only a one-time requirement, the submission is required as infrequently as possible. The timeline for submitting claims is covered by statute.

**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 C.F.R. §1320.5(d)(2).

**8. Consultations Outside the Agency**

The required Federal Register notice with a 60-day comment period soliciting comments on this new collection of information was published on June 17, 2014 (79 FR 34555). No public comments were received.

**9. Payment or Gift**

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

## 10. Confidentiality

NCUA does not give assurances of confidentiality.

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

## 11. Sensitive Questions

The information collection collects Personally Identifiable Information (PII), consisting of name, social security number or taxpayer ID number to ensure the claimant is unique for claims that are paid by NCUA. NCUA is required to use this information for tax reporting purposes. This collection is in compliance with the Privacy Act.

## 12. Burden of Information Collection

It has been the recent experience of the NCUA, and it is projected that we receive 200 claims annually. The number of respondents could change depending on the number of credit unions placed into liquidation in a year, as well as the complexity of their operations. Those credit unions with more complex operations could have more creditor claims.

The time burden could fluctuate based on the complexity of the claim and generally it is a one-time claim. The time estimated for each creditor fulfilling this requirement is no more than 1 hour. Generally, the information to be submitted already exists in the accounts receivable records of the creditor, and the form could be completed in less time. NCUA believes 1 hour is a reasonable amount of time needed to complete the form and collect supporting documentation.

In the event of a dispute concerning a claim, the liquidating agent may require the claimant to submit supplemental evidence. NCUA projects supplemental evidence will be required in fewer than 10% of all claims filed. Therefore, NCUA estimates that it will take 20 claimants one hour to furnish the supplemental evidence to NCUA.

The total reporting burden is 220 hours.

<b>Information Collection Activity</b>	<b>Number of Respondents</b>	<b>Frequency of Response (Annual (1), Quarterly (4), etc.)</b>	<b>Number of Responses</b>	<b>Burden Hours per Response</b>	<b>Annual Hourly Burden</b>
	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>	<b>(E)</b>
1 <i>Proof of Claim Form</i>	200	1	200	1 Hour	200 Hours
2 <i>Supplemental Evidence</i>	20	1	20	1 Hour	20 Hours
<b>Total (Sum)</b>	<b>220</b>	<b>2</b>	<b>220</b>	<b>2 Hours</b>	<b>220 Hours</b>



**13. Costs to Respondents**

There is no start-up or capital cost. The cost is estimated at 1 hour of work at a mid-manager level of \$50/hour, for 200 individual submissions. An additional 20 hours at \$50/hour is included for furnishing supplemental evidence. There is no upkeep or maintenance. NCUA will provide the form via hard-copy and make it available on its website. The total cost to respondents is \$11,000.

<b>Information Collection Activity</b>	<b>Annual Hourly Burden</b> <i>(see 12 above, item E)</i>	<b>Hourly \$ Rate per Response</b>	<b>Total \$ Amount</b>
1. <i>Complete Proof of Claim Form</i>	200 Hours	\$50.00	\$10,000.00
2. <i>Compile and Submit Supplemental Evidence</i>	20 Hours	\$50.00	\$1,000.00
<b>Total (Sum)</b>	<b>220 Hours</b>	<b>\$100.00</b>	<b>\$11,000.00</b>

**14. Costs to Federal Government**

NCUA estimates support staff spends 15 minutes reviewing each creditor submission for completeness. We estimate a \$25 average hourly cost for NCUA’s support staff time. Therefore, the cost to the Federal government estimate is \$1,250. This is a reduction of current costs incurred to obtain this information in different formats.

**15. Changes in Burden**

There are no program changes or adjustments as this is a new collection.

**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.