

**SUPPORTING STATEMENT  
National Credit Union Administration**

**Payments on Shares by Public Units and Nonmembers  
OMB No. 3133-0114**

**A. JUSTIFICATION**

**1. Circumstances Necessitating the Collection of Information**

Section 107(6) of the Federal Credit Union Act (Act) and §701.32 of the NCUA Rules and Regulations (12 CFR 701) may receive from public units and political subdivisions (as defined in §754.1) and nonmember credit unions, payments on shares. Limitations on nonmember and public unit deposits in federally insured credit unions is 20 percent of their shares or \$3 million, whichever is greater. This collection of information is necessary to protect the National Credit Union Share Insurance Fund (“Fund”). The NCUA Board has determined that deposits in excess of 20 percent of shares or \$3 million can cause an undue risk to the Fund and a loss of confidence in the credit union system. The NCUA must be made aware of and be able to monitor those credit unions seeking an exemption from the requirement.

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

The information collection requirements is for those credit unions seeking an exemption from the nonmember deposit limit must (1) adopt a specific written plan concerning the intended use of those shares and submit along with their (2) lending and investment policies, (3) a copy of their latest financial statement, and (4) identify the new maximum level of public unit and nonmember shares in a request to the NCUA Regional Director. NCUA uses this information to determine whether or not a particular credit union will be granted an exemption to the limit on nonmember and public unit deposits. Deposits in excess of this amount have caused direct losses to the Fund and indirect losses to all federally insured credit unions since they capitalize and maintain the Fund. This collection of information is necessary to protect the National Credit Union Share Insurance Fund (“Fund”).

**3. Consideration Given to information technology.**

Written requests and related documents may be provided to NCUA electronically, using email.

**4. Duplication.**

There is no duplication. Credit unions do not otherwise report this information. The data collection only requires credit unions seeking an exemption to provide an explanation documenting their need for an exemption.

**5. Reducing burden on small entities.**

The information requested by this collection is required to be supplied only once by each credit union seeking an exemption. This is a minimal burden.

**6. Consequences of Not Conducting Collection**

Deposits in excess of this amount have caused direct losses to the Fund and indirect losses to all federally insured credit unions since they capitalize and maintain the Fund. This collection of information is necessary to ensure the safety and soundness for federally insured credit unions.

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

None – the collection is conducted within the Guidelines.

**8. Consultations Outside the Agency.**

A 60-day notice was published in the *Federal Register* on June 6, 2016, at 81 FR 36353 soliciting comments from the public. NCUA received no comments on this collection of information.

**9. Payment or gift.**

NCUA will not provide any payment or gift to respondents.

**10. Confidentiality**

There are no assurances of confidentiality other than those provided by law.

**11. Questions of a sensitive nature.**

There are no questions of a sensitive nature. No personally identifiable information (PII) is collected.

**12. Burden of information collection**

12 CFR	# Respondents	# Responses Per Respondent	Annual Responses	Hours per Response	Total Annual Burden	Cost per Respondent (hr. labor rate \$35.00)
701.32(b)(2) Adopt written plan	20	1	20	2	40	\$1,400.00
701.32(b)(3) Submit Request	20	1	20	2	40	\$1,400.00
701.32(b)(5) Appeals	2	1	2	1	2	\$70.00
TOTALS	20		42		82	\$2,870.00

It has been the recent experience of the NCUA and it is projected that 20 credit unions will submit an exemption request, on a one-time basis, annually. The time estimated for each credit union fulfilling this requirement is 2 hours. Credit unions submitting such requests must adopt a written plan covering the intended use of these shares. The Regional Director will make a determination within 30 calendars after receipt of the request. If denied, appeals would be directed to the NCUA Board, through the Regional Director.

**13. Capital start-up costs and operation and maintenance costs.**

There are no capital start-up or operation and maintenance costs associated with this information collection.

**14. Cost to the Federal government.**

NCUA estimates it spends 3 hours reviewing each credit union submission. We estimate a \$40 average hourly cost for NCUA's time. Therefore, the annual estimated cost to the Federal government is \$2,400.

**15. Reason for Change.**

An increase of 42 hours is an adjustment to the total burden to included information collection requirements prescribed by §§701.32(b)(2) and (b)(5) that were omitted from the previous submission.

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

There are no plans for publication of results.

**17. Display of OMB Expiration date.**

There are no traditional collection instruments associated with this collection of information, e.g. forms. The OMB control number and expiration date associated with

this PRA submission will be displayed on the Federal government's electronic PRA docket at [www.reginfo.gov](http://www.reginfo.gov).

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

There are no exceptions to the certification statement.

**A. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not involve statistical methods.