

Paperwork Reduction Act Collection Justification
Revisions to National Credit Union Administration (NCUA) Call Report and Profile
OMB No. 3133-0004
PART 1

REQUEST FOR OMB REVIEW AND APPROVAL, 3133-0004
SUMMARY OF PROPOSED CHANGES TO NCUA CALL REPORT AND PROFILE
DATA COLLECTION

PROPOSED CYCLE DATE: March 31, 2017

REPORT(S) IMPACTED: NCUA Call Report Form, NCUA Profile Form

OMB FORM #: 3133-0004 (Expires 12/31/2019)

CALL REPORT PAGE(S) IMPACTED:

- Statement of Financial Condition – Page 2
- Loans – New page – Page 6
- Miscellaneous Information – Page 7
- Additional Delinquency Information – Page 9
- Loan Charge Offs and Recoveries – Page 10
- Liquidity, Commitments and Sources – Page 11
- Schedule A – Specialized Lending – Page 15
- Schedule A – Business Lending – Page 16
- Schedule A – Troubled Debt Restructured Loans – Page 17

Other pages are adjusted for numbering and updated terminology resulting from revisions to Part 723 of NCUA Rules and Regulations.

PROFILE PAGE(S) IMPACTED:

- Credit Union Programs and Member Services – Page 8

SUPPORTING ATTACHMENTS: Draft March 2017 Call Report Form (Enclosure 4) and September 2016 Profile Form (Enclosure 5).

Call Report and Profile Form Changes

NCUA is requesting modifications in the 5300 Call Report and 4501A Profile to align collection items with changes in Part 723 of NCUA's Rules and Regulations (<https://www.ncua.gov/regulation-supervision/Documents/Regulations/FIR2016218member-business-loans.pdf>). Changes in Part 723, Member Business Loans; Commercial Lending, become effective January 1, 2017.

Proposed changes to the quarterly 5300 Call Report and 4501A Profile will assist the National Credit Union Administration (NCUA) in monitoring credit union compliance with Part 723 of

NCUA's Rules and Regulations, thereby, protecting the integrity of the National Credit Union Share Insurance Fund (NCUSIF). The following summarizes proposed changes.

Description of Call Report Form Changes:

Page 2 – Statement of Financial Condition (on New and Existing Call Report Form): Replace loan breakout with single line for total loans. [Loan breakout is now reported on a separate page.] Move additional miscellaneous loan collection items to newly created loan-detail page (page 6). These changes reduce the number of collection items on this page by 38.

Page 6 – New Loan Page: Move above-referenced items from page 2 (Statement of Financial Condition) to new loan-detail page and update real-estate collection items to reflect changes to Part 723 of NCUA Rules and Regulations. Also, capture government guaranteed non-commercial loans. These changes increase the number of collection items on this page by 52.

Page 7 – Revised the wording of additional share and deposit insurance to clarify the collection intent. This update does not change the number of collection items on this page.

Page 9 – Additional Delinquency Information (Page 8 of Existing Call Report Form): Update delinquency terminology for 18 lines of collection items to reflect the changes in Part 723 of NCUA Rules and Regulations (e.g., change “Member Business Loans” to “Commercial Loans”). This update does not change the number of collection items on this page.

Page 10 – Loan Charge Offs and Recoveries (Page 9 of Existing Call Report Form): Update loan-loss terminology in nine lines of collection items to reflect changes in Part 723 of NCUA Rules and Regulations (e.g., change “Member Business Loans” to “Commercial Loans”). This update does not change the number of collection items on this page.

Page 11 – Liquidity, Commitments and Sources (Page 10 of Existing Call Report Form): Remove four lines of collection items for unfunded commitments on various categories of business loans. Update one line of collection items to reflect changes in Part 723 of NCUA Rules and Regulations (e.g., change “Business Loans” to “Commercial Loans” in line asking for total unfunded commitments of this type). These changes reduce the number of collection items on this page (net) by 12.

Page 15 – Schedule A, Specialized Lending (Page 14 of Existing Call Report Form): Remove one line of collection items for non-member business loans. Update terminology for one collection item under Miscellaneous Real-Estate Loan/Lines of Credit Information to reflect changes in Part 723 of NCUA Rules and Regulations (e.g., “Business” to “Commercial”). Under Participation Loans Outstanding by Type, drop one line of collection items and update terminology on another line of collection items (e.g. “Business” to “Commercial”). These changes reduce the number of collection items on this page (net) by 4.

Page 16 – Schedule A, Specialized Lending (Page 15 of Existing Call Report Form): Remove all Member Business Loan collection information except Total Member Business Loans (subtracts 89 collection items). Add commercial-loan collection information to reflect changes in Part 723 of NCUA’s Rules and Regulations (90 collection items). Remove seven lines of collection information under Miscellaneous Business Loan Information (subtracts 13 collection items) and replace with eight lines of similar information on commercial loans (adds 14 collection items). Add a question on the amount of member business loan balance of 1-4 family residential properties (adds 1 item). These changes increase the number of collection items on this page (net) by 3.

Page 17 – Schedule A, Specialized Lending (Page 16 of Existing Call Report Form): Update terminology in four lines of collection items to reflect changes in Part 723 of NCUA Rules and Regulations (e.g. “Business” to “Commercial”). This update does not change the number of collection items on this page.

Taken together, the net change in the number of collection items across all affected pages of the Call Report is one.

Description of the Profile Form Changes:

Page 8 – Credit Union Programs and Member Services - Member Service and Product Offerings – Credit: Added the word “Commercial” to Business/Commercial Loans and Indirect Business Loans to reflect changes in Part 723 of NCUA Rules and Regulations.

**National Credit Union Administration
Supporting Statement**

**NCUA Call Report (NCUA Form 5300) and Profile (NCUA Form 4501A)
OMB No. 3133-0004
PART 2**

1. Explain the circumstances that make the collection of information necessary.

Sections 106 and 202 of the Federal Credit Union Act require federally insured credit unions to make financial reports to the NCUA.

Section 741.6 of the NCUA Rules and Regulations requires all federally insured credit unions to submit a Call Report (NCUA Form 5300) quarterly. Section 741.6 also requires insured credit unions to submit a Credit Union Profile (NCUA Form 4501A) and update the Profile within 10 days of election or appointment of senior management or volunteer officials or 30 days of other changes in Profile information. [NCUA's website](#) further directs credit unions to review and certify their Profiles every Call Report cycle.

Financial and statistical information collected through the Call Report and Profile is essential to NCUA supervision of federal credit unions. This information also facilitates NCUA monitoring of other credit unions with share accounts insured by the National Credit Union Share Insurance Fund (NCUSIF).

2. Purpose and use of information.

NCUA uses information collected through Call Reports to supervise federally insured credit unions and safeguard the NCUSIF. The Federal Reserve also uses the information to conduct monetary policy, protect the payments system, and preserve competition among depository institutions. Congress and the state legislatures use the information to formulate policy on credit unions, other depository institutions, and the financial system. Finally, the U.S. Department of Commerce uses the information to produce national income accounting data and statistics.

Changes made to Profile/Call Report forms for March 2017 will help NCUA assess credit-union safety and soundness without increasing the burden on reporting institutions.

NCUA also uses Call Report data to create a Financial Performance Report (FPR) for each reporting credit union, the industry as a whole, and various industry cohorts. These reports are available to the general public and distributed to all federal credit unions, federally insured state-chartered credit unions, and those non-federally insured credit unions required to submit Call Report data by their State Supervisory Authority (SSA). NCUA examiners and SSAs also receive FPRs to assist in examination/supervision. Call Report changes ensure FPRs provide all recipients with accurate pictures of credit-union risk and profitability – at the individual institution and aggregate levels.

3. **Describe any considerations of the use of improved information technology.**
Individual credit unions are the sole source of information about their financial condition and operations. Effective January 1, 2014, all federally insured credit unions must use the NCUA web-based data collection system (CU Online) to submit their Call Reports and update their Profiles. NCUA computer systems perform a series of sophisticated edits and calculations to minimize the amount of information required and reduce the burden to reporting credit unions.

Credit Union Profile

NCUA collects information for the Credit Union Profile via a web-based system – CU Online. The Profile captures information about the credit union that changes infrequently. After initial Profile data are entered, a credit union need only update these data to reflect additions, deletions, and other changes. Under NCUA Rule and Regulations Section 741.6(a)(1), credit unions must update Profile information within ten days of election or appointment of officials or thirty days of any other change. Credit unions can enter Profile data any time through CU Online. Requiring input only when Profile information changes and allowing such changes to be made 24/7/365 through an online interface reduces reporting burden. NCUA also collected quarterly Call Report data through CU Online.

4. **Describe efforts to identify duplication.**
Aside from Call Report data-gathering cycles, NCUA engages in no other comprehensive collection of credit-union data. NCUA alone collects, processes, and releases Call Report data, so there is no duplication of effort at the federal level. At the state level, NCUA works closely with the National Association of State Credit Union Supervisors (NASCUS, which represents all SSAs) to improve the Call Report as a federal and state tool for collecting material information about credit union condition and practices while minimizing the burden on reporting institutions.
5. **Reducing burden on small entities.**
All credit unions must submit Call Report and Profile information as prescribed by regulations. NCUA minimizes the burden on small credit unions with CU Online, which performs calculations needed to derive various balance-sheet and income-statement items, generate risk/performance metrics, and compare risk/performance with peer institutions.
6. **Describe the consequence to the federal program or policy activities if the collection were conducted less frequently.**
Collection items from the 5300 Call Report and 4501A Profile provide critical information for supervision of safety-and-soundness and monitoring of regulatory compliance. In particular, NCUA uses collection items for off-site monitoring, which greatly reduces the burden of on-site examinations. NCUA must react quickly to emerging risks to protect the share accounts of the nation's credit union members (over 102 million people) and the integrity of the NCUSIF – hence the need for quarterly reporting.

The consequences of non-collection are severe. Absent quarterly Call Report submissions and Profile updates, SSAs and NCUA would have to rely on more frequent on-site visits to supervise credit-union risks and monitor regulatory compliance. Moreover, there would be no FPR – thereby depriving federal and state authorities as well as the credit-union industry of a valuable tool for policymaking and financial management.

- 7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines of 5 CFR 1320.5(d)(2).**
NCUA conducts collection entirely within the guidelines outlined in 5 CFR 1320.5(d)(2).
- 8. Consultations with persons outside of the Agency.**
NCUA has an ongoing commitment to communicate and interact with SSAs, NASCUS, and credit-union trade associations. Typically, NCUA receives comments and suggestions from SSAs and trade associations throughout the year. NCUA considers these comments when revising the Call Report and Profile forms as well as other aspects of data collection.

A 60-day notice was published September 19, 2016, at 81 FR 64205 in the *Federal Register* soliciting comments from the public. No comments were received in response to this notice.
- 9. Payment of gifts.**
NCUA will not provide any payment or gift to respondents.
- 10. Describe any assurance of confidentiality.**
Most Call Report data are public information subject to release under the Freedom of Information Act. NCUA provides this information to the general public on the agency website (www.ncua.gov). Some Call Report and Profile information as well as information obtained through the supervisory process are confidential and, therefore, exempt from release under the Freedom of Information Act.
- 11. Questions of a sensitive nature.**
Data collection fields are critical for adequate off-site monitoring and on-site examination of federally insured credit unions. The Profile asks for critical non-financial data such as contact information for credit union officials and mandatory-role individuals.
- 12. Provide estimates of burden of the collection of information.**
NCUA estimates credit unions will, on average, need six hours to complete the forms. To obtain industrywide costs, this average is applied to 5,954 credit unions, thereby yielding:

Credit Union Staff Time – Six hours per reporting institution per reporting cycle (four cycles per year):

No. Respondents	No. Responses Per Respondent	No. Annual Responses	Hours Per Response	Total Annual Burden Hours
5,954	4	23,816	6	142,896

TOTAL ANNUAL BURDEN HOURS142,896

TOTAL ANNUAL RESPONDENTS LABOR COST\$5,001,360

The dollar-cost estimate uses an average hourly wage for credit-union staff. This wage – \$35 – is based on Call Report data. The source of information for most Call Report/Profile questions is monthly financial statements and reports prepared by all credit unions in their normal course of business. NCUA provides advance notification of all changes in reporting, thereby allowing credit unions to modify automated and manual record-keeping systems before data collection begins.

13. Capital start-up costs and operations and maintenance costs.

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

14. Annualized cost to the Federal government.

Staff

Central Office:

Analyst staff - 2 full-time persons \$250,000
 Technical data processing support staff \$1,001,880

Regional Offices:

Regional office staff – 320 hours @ \$55/hr. \$17,600
Examiner field staff – 33,408 hours @ \$38/hr. \$1,269,504

TOTAL ANNUAL FEDERAL GOVERNMENT COST: \$2,538,984

The estimate of annual costs to the Federal Government includes all costs associated with collection, processing, and distribution of information. It is important to note, however, these costs are offset through the NCUA Risk Focused Examination program. Moreover, NCUA monitoring of credit-union financial trends reduces expected losses to the NCUSIF as well as economic costs arising from disruptions of the payments system and local economies when credit unions fail.

15. Explain reasons for changes in burden.

Modifications necessary to support changes in part 723 of NCUA Rules and Regulations (“Member Business Loans; Commercial Lending”) will not alter the amount of hours necessary to complete the forms. The amount of data elements removed compared to those being added have negated any differences in burden. . Moreover, none of the

changes – even those involving new account codes – represents a significantly new collection (e.g., the vast majority involve asking for data on “commercial” loans rather than “member business” loans). The specific program changes are detailed in Part I of this supporting statement.

This submission reflects adjustment due to the decline in the number of federally insured credit unions due to industry consolidation from mergers and liquidations, which has averaged approximately one percent per quarter. Specifically, the number of federally insured credit unions completing the Call Report and Profile dropped from 6,021 to 5,954 (67).

16. Collections of information planned to be published for statistical use.

The projected Financial and Statistical Report/Call Report collection schedule for 2017 is provided below. The schedule is tentative because NCUA is reviewing procedures for processing Call Report data.

March 31 Collection

April 30	Forms Due
April 30 - May 10	Forms Processed
May 10 - May 24	Reports Prepared
May 10 - June 5	Data Finalized and Distributed

June 30 Collection

July 30	Forms Due
July 30 - August 10	Forms Processed
August 10 - August 24	Reports Prepared
August 10 -September 5	Data Finalized and Distributed

September 30 Collection

October 29	Forms Due
October 29 - November 10	Forms Processed
November 10 - November 24	Reports Prepared
November 10 - December 6	Data Finalized and Distributed

December 31 Collection

January 28, 2018	Forms Due
January 28 - February 10, 2018	Forms Processed
February 10 - February 24, 2018	Reports Prepared
February 10 - March 9	Data Finalized and Distributed

17. Display of OMB expiration date.

The display of an expiration date may cause confusion among respondents when providing information by a prescribed date because minor technical changes to an electronic systems would impose additional time and resources if no other information was to change. Non-display of the expiration date of the OMB approval is requested.

18. Exceptions to Certification for Paperwork Reduction Act Submissions.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.