VENDOR STAKEHOLDER CALL SCRIPT

INTRODUCTION BY NCUA

- The NCUA is in the process of modernizing our examination systems. One of the primary data sources for the examination process is the AIRES download. The last time the AIRES download fields were updated was in April 2003. The AIRES download is currently limited to data in the core data processing system.
- As part of this modernization effort, we are evaluating the data we collect to improve the examination process with robust analytics, more off-site work, and ultimately a more efficient examination process.
- On October 31, 2017, the NCUA issued a [Request for Information](#) (RFI) in the Federal Register to expand and standardize the loan, deposit and investment data we collect as part of an exam. This RFI closed on January 2, 2018.
- The RFI included 12 questions requesting input about the relevant issues the NCUA should consider regarding this proposed change.
- Credit unions use many different data processing vendors and platforms for core data processing as well as other solutions that may or may not integrate with their core data processing system (e.g., mortgages, credit cards, etc.). The NCUA is not asking credit unions to consolidate data from the disparate sources into one file; however, desires to publish a standard schema for all data files to import into analytic tools.
- The RFI proposed credit unions would only need to provide the requested data if they offered the member service (e.g., indirect loans, mortgages, etc.) and if the data was available electronically.
- Based on our preliminary review, the responses included several concerns:
  - Small credit unions would face challenges in complying with the proposed changes.
  - The time and resources needed to comply with proposed changes and related staff training would be burdensome on credit unions.
  - Credit unions are heavily reliant on vendors to provide systems and reports to comply with the NCUA data requests and would like many of the data fields to be optional.
  - Vendor systems may not support the fields proposed and will need long lead times for updating systems.
- The purpose of this discussion is to gain further insight into the hurdles raised by stakeholders and gain a better understanding about what data is stored electronically, understand the level of effort and impact of publishing a schema to standardize the data fields, and seek implementation ideas and considerations.

QUESTIONS FOR CORE DATA PROCESSING VENDORS

1. How many credit union clients do you have?
    a. What percentage of your clientele do you estimate are credit unions?
    b. Have any of your credit union clients contacted you to discuss the proposed changes?
        i. If yes, what feedback did they have?

2. How many different system platforms do you provide to credit unions?
    a. Are you aware of any credit union clients still using a version of your system that you no longer support?
        i. If so, approximately how many?

3. Does your system currently have the ability to populate all the proposed RFI data fields?
    a. Are the data fields consistent in all versions/platforms within your system?
        i. If not, could you explain the differences between platforms that are relevant to the proposed changes in the RFI?
    b. Would a system upgrade be necessary to meet the proposed changes in the RFI?
    c. Do you have other clients (e.g., banks) that may be impacted by any changes?

4. What is the estimated timeline you anticipate for:
    a. Making any system upgrades or platform changes?
    b. Making any report/export functionality changes (e.g., to include fields in the required schema format)?

5. Do you pass system or report change costs onto your credit union clients?
    a. If so, have you estimated the cost?

6. How will the proposed RFI changes impact your business?

7. What implementation strategies and timeline should the NCUA consider with this initiative?

8. Do you have any additional thoughts or considerations for the NCUA that you would like to share today?

QUESTIONS FOR NON-CORE DATA PROCESSING VENDORS

1. How many credit union clients do you provide services (e.g., loan servicing, credit card servicing, investments, etc.) to?
   a. What services do you offer that would be impacted by the proposed changes in the RFI?
   b. What percentage of your clientele do you estimate are credit unions?
   c. Have any of your credit union clients contacted you to discuss the changes proposed in the RFI?
      i. If yes, what feedback did they have?

2. Do you currently provide your clients with a data extract for examination (or other) purposes?
   a. If no, why not?
   b. Is there an associated cost to the credit union?

3. Can you provide a data extract that would meet the proposed RFI data fields for the service(s) you provide?
   a. Would a system upgrade be necessary to meet the proposed changes in the RFI?
   b. What file formats for a data extract can you provide (csv, excel, etc.)?
   c. Do you have other clients that would be impacted by any system changes (e.g., banks)?

4. What is the estimated timeline you would anticipate for:
   a. Making any necessary system changes?
   b. Making any report/export functionality changes (e.g., to include fields in the required schema format)?

5. How will the proposed changes in the RFI impact your business?

6. What implementation strategies and timeline should the NCUA consider with this initiative?

7. Do you have any additional thoughts or considerations for the NCUA that you would like to share today?