

National Credit Union Administration
SUPPORTING STATEMENT

Involuntary Liquidation Proof of Claim, NCUA Form 7250
OMB Control No. 3133-0192

A. JUSTIFICATION

1. Circumstances that make the collection of information necessary.

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)), §§ 709.4(b) and 709.6, 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 of Information

There is no duplication.

5. Efforts to Reduce Burden 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 CFR §1320.5(d)(2).

8. Efforts to Consult with Persons Outside the Agency

A 60-day notice was published in the *Federal Register* on July 24, 2018, at 83 FR 35028, soliciting comments from the public on the renewal of this information collection and no comments were received.

9. Payment or Gifts to Respondents

No payment or gifts are provided to respondents.

10. Assurance of 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. Questions of a Sensitive Questions Nature

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.

A system of records notice (SORN) for “Liquidating Credit Union Records System,” NCUA-10, was published in the *Federal Register* on July 16, 2010, at 75 FR 41529.

12. Burden of Information Collection

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. NCUA estimates 200 claims annually.

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.

12 CFR	IC Activity	# Respondents	# Responses per Respondent	Total Annual Responses	Hours per Response	Total Burden
709.6(a)(1)	Proof of Claim	200	1	200	1	200
709.6(b)	Supplemental Evidence	20	1	20	1	20
TOTAL		200		220		220

Based on the labor rate of \$50 per hour, the total cost to respondents is \$11,000.00

13. Capital Start-up or On-going Operation and Maintenance Costs

There are no capital start-up or on-going maintenance costs.

14. Annualized 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.

15. Changes in Burden

There are no program changes or adjustments.

16. Information Collection Planned for Statistical Purposes

The information collection is not used for statistical purposes.

17. Request Non-display the Expiration Date of the OMB Control Number

The display of the expiration date of the OMB control number may cause confusion in identifying the date for which this information is required by NCUA. Non-display of the OMB control number of the form 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.