

National Credit Union Administration
Supporting Statement

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

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

PROPOSED CYCLE DATE: December 31, 2019

REPORT(S) IMPACTED: NCUA Profile Form

OMB FORM #: 3133-0004 (Expires 01/31/2022)

PROFILE PAGE(S) IMPACTED:

- General Information – Page 1

SUPPORTING ATTACHMENTS: Draft December 2019 Profile Form (Enclosure).

Profile Form Changes

The proposed changes to the quarterly Profile will assist the National Credit Union Administration (NCUA) in offsite monitoring and supervision of credit unions while minimizing the burden on federally insured credit unions. The NCUA's data collections are based on emerging and existing risks to the National Credit Union Share Insurance Fund (NCUSIF).

The NCUA is requesting modifications in the Profile to evaluate industry-wide risk exposure related to single- and multi-employer defined benefit plans, thereby, protecting the integrity of the National Credit Union Share Insurance Fund (NCUSIF). The following summarizes proposed changes.

Description of the Profile Form Changes:

Page 1 – General – Added two questions related to defined benefit plans.

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A. JUSTIFICATION

1. 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 enables the NCUA to monitor all federally insured credit unions with National Credit Union Share Insurance Fund (NCUSIF) insured share accounts.

2. Purpose and use of the information collection.

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.

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.

Changes this cycle will only be made to Profile (December 2019) and will help the NCUA assess credit union safety and soundness without increasing the burden on reporting institutions.

3. Use of 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 were required to use the NCUA web-based data collection system (CUOnline) to submit their Call Reports and update their Profiles. The 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

The NCUA collects information for the Credit Union Profile via CUOnline. 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 the NCUA Rules 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 CUOnline. Requiring input only when Profile information changes and allowing such changes to be made 24/7/365 through an online interface reduces reporting burden.

4. Duplication of information.

Aside from quarterly data-gathering cycles, the NCUA engages in no other comprehensive collection of credit union data. NCUA alone collects, processes, and releases Profile data, so there is no duplication of effort at the federal level. At the state level, the NCUA works closely with the National Association of State Credit Union Supervisors (NASCUS, which represents all SSAs) to improve the Call Report and Profile as a federal and state tool for collecting material information about credit union conditions and practices while minimizing the burden on reporting institutions.

5. Efforts to reducing burden on small entities.

All credit unions must submit the 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. Consequence of not conducting the collection.

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 112 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. Inconsistencies with guidelines in 5 CFR 1320.5(d)(2).

The NCUA conducts collection entirely within the guidelines outlined in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside of the Agency.

A 60-day notice was published in the *Federal Register* on May 29, 2019, at 84 FR 24826, to solicit comments from the public and no comments were received.

The NCUA has an ongoing commitment to communicate and interact with SSAs, NASCUS, and credit union trade associations. Typically, the NCUA receives comments and suggestions from SSAs and trade associations throughout the year. The NCUA considers these comments when revising the Profile forms as well as other aspects of data collection.

9. Payment or gifts to respondents.

The NCUA will not provide any payment or gift to respondents.

10. Assurance of confidentiality.

Most Call Report and Profile data is 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.

A System of Records Notice (SORN) is not required as the information is not stored based on the individual's name or other personally identifiable information.

12. Burden of information collection.

The NCUA estimates credit unions will, on average, need six hours to complete the forms. To obtain industrywide costs, this average is applied to 5,375 federally insured credit unions, thereby yielding:

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

No. of Respondents	No. of Responses Per Respondent	No. of Annual Responses	Hours Per Response	Total Annual Burden Hours
5,375	4	21,500	6	129,000

Based on the labor rate of \$35 per hour, the total cost to respondents is \$4,515,000.

13. Capital start-up or on-going 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.

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, the 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.

Staff

Central Office:

Systems staff - 2 full-time person	\$275,000
Technical data processing support staff	\$1,001,880

Regional Offices:

Regional office staff – 320 hours @ \$57/hr.	\$18,240
Examiner field staff – 36,028 hours @ \$46/hr.	\$1,657,288
TOTAL ANNUAL FEDERAL GOVERNMENT COST:	\$2,952,408

15. Changes in burden.

Form 4501A, NCUA Profile, is being revised to include two questions to evaluate industry-wide risk exposure related to single- and multi-employer defined benefit plans. This revision will not alter the estimated burden hours per response. The effort to provide a response is minimal and will not impact the total burden. The burden hours will reflect an adjustment to the number of respondents due to the decline in the number of federally insured credit unions. The number of federally insured credit unions completing the Call Report and Profile dropped from 5,530 to 5,375. The reduction of 3,720 burden hours reflects this adjustment.

16. Information collection planned for statistical purposes.

The projected Profile collection schedule for 2019 is provided below.

March 31 Collection

April 28	Forms Due
April 30 - May 9	Forms Processed
May 10 - June 7	Data Finalized and Distributed

June 30 Collection

July 28	Forms Due
July 28 - August 9	Forms Processed
August 9 -September 6	Data Finalized and Distributed

September 30 Collection

October 27	Forms Due
October 27 - November 7	Forms Processed
November 7 - December 6	Data Finalized and Distributed

December 31 Collection

January 26, 2020	Forms Due
January 26 - February 6, 2020	Forms Processed
February 6 - March 3, 2020	Data Finalized and Distributed

17. Request non-display of the expiration date of the OMB control number.

The display of an expiration date may cause confusion among respondents when providing information by a prescribed date because minor technical changes to electronic systems would impose additional time and resources if no other information were 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.