

National Credit Union Administration
SUPPORTING STATEMENT

Notice of Change of Officials and Senior Executive Officers
OMB No. 3133-0121

A. JUSTIFICATION

1. Circumstances that make the collection of information necessary.

The information collection is necessary under section 201 of the Federal Credit Union Act, as amended by section 914 of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA), Pub.L. 101-73. NCUA's regulations implement the statutory requirement in 12 CFR §701.14 for federally insured credit unions (FICU) and 12 CFR § 741.205 for federally insured state-chartered credit unions (FISCU). These provisions direct newly chartered or troubled credit unions to submit a notice to NCUA before making any changes to the credit union's officials (board of directors, committee members) or senior executive officers. NCUA may disapprove the proposed management change within 30 days of receiving the notice.

Specifically, the regulation requires that, within 10 calendar days of receipt, NCUA must inform the credit union either that the notice is complete, or that it must submit more information within 30 calendar days. The regulation also requires NCUA to issue a written decision of approval or disapproval to the individual and the credit union within 30 calendar days of receipt of the notice. Otherwise, the individual is approved. Subpart B to part 746 specifies the rights an individual or a credit union may exercise and procedures to follow in responding to an NCUA notice of disapproval.

NCUA uses Form 4063 "Notice of Change in Official or Senior Executive Officer" and Form 4063a "Individual Application for Approval of Official or Senior Executive Officer" are used to collect this information.

2. Purpose and use of the information collection.

NCUA Form 4063 – The form is used by a FICU to notify the NCUA of a proposed change in the board of directors, committee members, or senior executive officer. This requirement is applicable to newly chartered or in troubled condition credit unions.

- If an FISCU, a copy of this form must also be sent to the appropriate State Supervisory Authority

NCUA Form 4063a – The form is completed by the individual identified on the NCUA Form 4063, to provide biographical and financial information and is included as an attached the Form 4063.

A waiver request can be made to NCUA to wave notice requirements under this part if found that delay could harm the credit union or public interest.

NCUA uses the information to determine whether to disapprove the proposed management change. The notice provides NCUA with information about the prospective management official's competence, experience, character, integrity, personal history, business background, and a description of any pending litigation in which the management official is a litigant. State supervisory authorities likewise use the information to review the approval of new officials or senior executive officers at state chartered federally insured credit unions.

3. Use of information technology.

Credit unions may use any information technology available to prepare the notices.

4. Duplication of information.

The information collection, the information contained in the notices, is unique to each credit union and individual and is not duplicated.

5. Efforts to reduce burden on small entities.

FIRREA and the regulation require the same information to be collected from small entities as from other entities.

6. Consequences of not conducting the collection.

The collection must be conducted to enable NCUA to make the determination of approval or disapproval of the officials, as required under FIRREA.

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d) (2).

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 September 27, 2021, at 86 FR 53352, and no comments were received.

9. Payment or gifts to respondents.

No payment or gifts are provided for information collected.

10. Assurance of confidentiality.

Certain information obtained in the application form and any information obtained in additional background research or as part of NCUA's supervisory process is confidential and exempt from release under the Freedom of Information Act. The information will be kept private to the extent permitted by law. The Privacy Act Notice is contained in the application.

11. Questions of a sensitive nature.

The information collection includes the following Personally Identifiable Information (PII):

- Name
- Social Security Number or Passport number
- Address
- Date of birth
- Place of birth
- Parent's names
- Telephone number
- Employment history
- Education history
- Criminal history

The information is mandated by statute. The Federal Credit Union Act section 212 requires the notice from insured credit unions to include the following information:

[12 U.S.C 1817(j)(6)(A)] The identity, personal history, business background and experience of each person by whom or on whose behalf the acquisition is to be made, including his material business activities and affiliations during the past five years, and a description of any material pending legal or administrative proceedings in which he is a party and any criminal indictment or conviction of such person by a State or Federal court.

While some of the information may be considered sensitive, statute requires the institution and/or individual respondent provide the information.

Social security numbers are collected for NCUA to obtain credit reports and a background check on the individual. Below is the Privacy Act notice contained in the application:

"...Failure to complete this form or omission of any item of information, except for disclosure of your social security number, may result in a delay in the processing of this application. In accordance with Section 792.68 of NCUA's regulations, you are not required to furnish your social security number on this form. Your social security number, if voluntarily provided, will be used to more easily verify the information required by this form. No penalty will result to you as a senior executive officer or as a compensated or volunteer official or to the credit union if you do not provide your social security number."

A System of Records Notice (SORN) is not necessary because this information is not stored based on the individual's name or other personally identifiable information. NCUA stores this information based on the credit union under which the application was submitted.

12. Burden of information collection.

Respondent	CFR	Information Collection Activity	Type	Number of Respondents	Frequency	Number of Responses	Burden Hours per Response	Annual Hourly Burden	Previously Approved	Difference
Credit Union	701.14(c)(1)	Form 4063, Notice of Change in Officials or Senior Executive Officer	Reporting	183	1	183	2	366	438	-72
	701.14(c)(3)	State-chartered FICUs file copy of 4063 with state supervisor	Third-party disclosure	73	1	73	0.167	12	7,348	4,843
	701.14(c)(2)	Waiver of prior notice. Parties may petition for a waiver of prior notice requirements.	Reporting	15	1	15	1	15	1	14
CREDIT UNION BURDEN				183		271		393	446	-53
Individual	701.14(c)(iii)	Form 4063a, Individual Application for Approval of Official or Senior Executive Officer	Reporting	183	1	183	2	366	438	-72
	701.14(e)	File a reconsideration or appeal	OMB No. 3133-0198							
INDIVIDUAL BURDEN				183		183		366	438	-72
TOTAL BURDEN						454		759	884	-125

Based on the Labor rate of \$35 per hour, the total cost to this respondent is \$26,565.

13. Capital start-up or on-going operation and maintenance costs.

There are no capital start-up or maintenance costs.

14. Annualized costs to federal government.

Staff Level	# Occurrences	# Hours per Occurrence	Total # Hours
<i>For review of Form 4063 and Form 4063a:</i>			
Examiner Field Staff	183	2	366
Regional Office Staff	183	2	366
<i>Review of Wavier of Prior Notice:</i>			
Examiner Field Staff	0	0	0
Regional Office Staff	15	2	30
<i>Totals:</i>			
Examiner Field Staff			366
Regional Office Staff			396

Examiner field staff – 366 hours @ \$55/hour = \$ 20,130
Regional office staff – 396 hours @ \$63/hour = \$ 24,948

Background/Credit Check: 183 x \$150 = \$ 27,450
Total cost to the Federal government \$ 72,528

15. Changes in burden.

The estimated burden has decreased since the last submission, due to the decrease in the number of newly chartered and troubled credit unions. A reduction of 125 burden hours is attributed to this adjustment. Total of 759 burden hours are requested.

16. Information collection planned for statistical purposes.

Not applicable. 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 by the respondent when providing a response to NCUA. Non-display 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.