

National Credit Union Administration
SUPPORTING STATEMENT

NCUA Call Report (NCUA Form 5300)
OMB No. 3133-0004

Summary of Action – Extension

Pursuant to the Office of Management and Budget (OMB) procedures established at 5 CFR 1320.13, the National Credit Union Administration (NCUA) requested emergency processing in January 2022 for the revision of OMB control number 3133-0004, NCUA Call Report (Form 5300), to capture changes necessitated by the promulgation of a final rulemaking. This emergency request was approved by OMB on January 18, 2022, and is scheduled to expire July 31, 2022. This extension request is to renew this collection and obtain the 3-year approval.

Background: The NCUA Board approved Final Rule, Capital Adequacy: The Complex Credit Union Leverage Ratio; Risk-Based Capital, on December 16, 2021, which was published in the *Federal Register* on December 23, 2021, at 86 FR 72784, with an effective date of January 1, 2022. Because of the effective date of this rule and the advance time needed by the NCUA to incorporate updates to the online reporting system prior to the March 2022 Call Report cycle and to provide the reporting system changes to the NCUA's federally insured credit unions (FICUs) in a timely manner, NCUA submitted these changes for emergency consideration. The Call Report collects financial and statistical information and is vital to the NCUA's supervision and off-site monitoring of its FICUs and to safeguard the National Credit Union Administration's Share Insurance Fund.

A. JUSTIFICATION

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 regulations requires all federally insured credit unions to submit a Call Report (NCUA Form 5300) quarterly. Financial and statistical information collected through the Call Report 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 collected.

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 Call Report forms for March 2022 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, and various industry cohorts. These reports are available to the 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 individual institution and aggregate levels.

3. 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 were required to use the NCUA web-based data collection system (CUOnline) 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.

4. Duplication of information.

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. Efforts to reduce burden on small entities.

All credit unions must submit Call Report information as prescribed by regulations. NCUA minimizes the burden on small credit unions with CUOnline, 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. Consequences of not conducting the collection.

Collection items from the 5300 Call Report provide critical information for supervision of safety-and-soundness and monitoring of regulatory compliance. 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 128 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, SSAs and NCUA would have to rely on more frequent on-site visits to supervise credit-union risks and monitor regulatory compliance. The NCUA's examination tool, MERIT, relies on data collected in the Call Report. 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 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. Efforts to consult with persons outside of the Agency.

This is a request for emergency consideration. If approved, NCUA will receive a 6-month approval during which time NCUA will publish a 60-day *Federal Register* notice soliciting comments from the public and will make a subsequent PRA submission for regular clearance at the end of the emergency approval period.

9. Payment of gifts to respondents.

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

10. Assurance of confidentiality.

There is no assurance of confidentiality other than that provided by law. Most Call Report data are public information subject to release under the Freedom of Information Act. The NCUA provides this information to the general public on the agency website (www.ncua.gov). Some Call Report 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. 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 the collection of information.

NCUA estimates credit unions will, on average, need four hours to complete the Call Report, via CUOnline. To obtain industrywide costs, this average is applied to 5,097 federally insured credit unions, thereby yielding:

Credit Union Staff Time – Four 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
5,097	4	20,388	4	81,552

TOTAL ANNUAL BURDEN HOURS.....81,552

TOTAL ANNUAL RESPONDENTS LABOR COST.....\$3,017,424

The dollar-cost estimate uses an average hourly wage for credit-union staff. This wage – \$37 – 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. The NCUA provides advance notification of all changes in reporting, thereby allowing credit unions to modify automated and manual recordkeeping 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 \$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: \$2,952,108

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.

This is an extension of a currently approved collection. Emergency approval was obtained from OMB to collect this information prior to a public comment for a period of six months. NCUA received OMB approval on January 18, 2022, with the collection to expire July 31, 2022. During this 6-month PRA approval window, NCUA solicited comments in the *Federal Register* on April 25, 2022, at 87 FR 24346, on the emergency changes and did not receive any comments in response to this 60-day notice.

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

The projected Financial and Statistical Report/Call Report collection schedule for 2022 is provided below.

March 31 Collection

April 30	Forms Due
May 1 - May 17	Forms Processed
May 18 - May 31	Reports Prepared
June 1	Data Finalized and Distributed

June 30 Collection

July 30	Forms Due
July 31 - August 17	Forms Processed
August 18 - August 31	Reports Prepared
September 1	Data Finalized and Distributed

September 30 Collection

October 30	Forms Due
October 31 - November 17	Forms Processed
November 18 - November 30	Reports Prepared
December 1	Data Finalized and Distributed

December 31 Collection

January 30, 2023	Forms Due
January 31 - February 17, 2023	Forms Processed
February 18 - February 28, 2023	Reports Prepared
March 1, 2023	Data Finalized and Distributed

17. Request of 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 an

electronic system 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.