

**National Credit Union Administration**  
**SUPPORTING STATEMENT**

Minority Depository Institution Preservation Program  
Interpretive Ruling and Policy Statement (IRPS) 13-1  
OMB No. 3133-0195

**A. JUSTIFICATION**

**1. Circumstances that make the collection of information necessary.**

In 2010, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).<sup>1</sup> Section 367(4)(A) of the Dodd-Frank Act amended Financial Institution Reform, Recovery, and Enforcement Act (FIRREA) §308 to require the NCUA, Office of the Comptroller of Currency (OCC), and Board of Governors of the Federal Reserve Board System (FRB) to establish a program to comply with its goals to preserve and encourage Minority Depository Institutions (MDI).<sup>2</sup> In addition, the Dodd-Frank Act §367(4)(B) requires these agencies, along with FDIC, to each submit an annual report to Congress describing actions taken to carry out FIRREA §308.<sup>3</sup>

On July 24, 2015, final Interpretive Ruling and Policy Statement (IRPS) 13-1, to establish an MDI preservation program (Program) to comply with the FIRREA §308 goals to preserve and encourage new MDIs, was published in the *Federal Register* (80 FR 36356). The IRPS identifies the procedure for a federally insured credit union to determine and document its ability to designate itself as an MDI, resulting in the ability to participate in the Program. On March 27, 2024, a revision to the IRPS became final. The revision reflects changes to the agency's structure and program features since 2015, and clarifies the NCUA's policy on MDI preservation.

**2. Purpose and use of the information collection.**

All MDI credit unions self-designate through the Call Report Profile (OMB Control No. 3133-0004). The NCUA defines small credit unions as credit unions with less-than \$100 million in assets. These credit unions self-designate as an MDI based on their knowledge of the credit union's current membership and field of membership. They do not have to maintain documentation to support the minority eligibility of these members. Credit unions with \$100 million or more in assets are considered large credit unions. These credit unions must maintain documentation that supports minority eligibility for their current membership and field of membership using one of several methods identified in the IRPS, as applicable. The NCUA uses this information to verify the appropriateness of MDIs' self-designation and to correctly report on its preservation efforts in the annual MDI Reports to Congress as required by §367(4)(B) of the Dodd-Frank Act.

---

<sup>1</sup> Pub. L. 111-203, 124 Stat. 1376; 12 U.S.C. 5301 *et seq.*

<sup>2</sup> 124 Stat. 1556.

<sup>3</sup> 124 Stat. 1556.

Each MDI must assess whether it continues to meet the definition of an MDI whenever there is a change in its board of directors or a significant change to its field of membership, and update its designation, if necessary. In accordance with the regular examination process, the NCUA will review whether a credit union has updated its analysis and made any corresponding changes to its self-designation in the Credit Union Profile. An eligible credit union's decision to designate as a minority depository institution or to participate in the MDI Program is voluntary. An MDI may elect to withdraw its designation by not completing the relevant questions in the Credit Union Profile.

**3. Use of information technology.**

If the NCUA requests documentation from a credit union to support its MDI self-designation analysis the respondent may provide the documentation to the NCUA in hardcopy or electronic form. The majority of credit unions will likely use electronic means to determine whether they meet the MDI criteria and use available technological methods to collect and report this information.

**4. Duplication of information.**

The collection of information is unique to each FICU and is not duplicated.

**5. Efforts to reduce burden on small entities.**

Credit unions must self-designate as an MDI by answering minority depository institution related questions in their Credit Union Profile. Small credit unions are subject to the same criteria as large credit unions to meet the definition of an MDI. To alleviate the burden on small entities, small credit unions that decide to self-designate as MDIs are not required to maintain documentation to support how their current membership and field of membership meet the MDI criteria.

The agency defines a small credit union as one that has total assets of less-than \$100 million. As of December 31, 2023, there were 396 such credit unions that self-designated as an MDI.

**6. Consequences of not conducting the collection.**

The Dodd-Frank Act requires the NCUA to annually report to Congress on data pertaining to MDIs. If the NCUA does not collect data supporting the MDI designation for credit unions, the NCUA runs the risk of reporting inaccurate data on MDIs to Congress as well as a reputation risk by providing inaccurate data to the public and organizations who want to do business with and/or provide support to MDIs.

**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 March 6, 2024, at 89 FR 16035, soliciting comments from the public. No public comments were received in response to this notice.

**9. Payment or gifts to respondents.**

There is no intent by the NCUA to provide payment or gifts for information collected.

**10. Assurance of confidentiality.**

The NCUA periodically [publishes a list of MDIs](#) that provides information to the public about each of them. Additionally, a list of MDIs is included in the annual report to Congress on MDIs. Information related to this collection may involve matters contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of the NCUA. The NCUA may exempt such information from Freedom of Information Act disclosure under exemption 8. 5 U.S.C. 552(b)(8). There is no assurance of confidentiality other than that provided by law.

**11. Questions of a sensitive nature.**

There are no questions of a sensitive nature asked. No personally identifiable information (PII) is collected.

**12. Burden of information collection.**

As of December 31, 2023, 492 credit unions self-designated as MDIs based on their answers to the MDI questions in the Credit Union Profile. All MDIs must assess the minority composition of their board of directors to provide an accurate response regarding this eligibility criteria. We estimate an aggregate burden of 39 hours (5 minutes \* 492 MDIs) to accomplish this task.

Small MDIs may rely on the credit union's knowledge of their current membership and field of membership in determining MDI eligibility for these criteria. As of December 31, 2023, there were 396 small MDIs. We estimate 10 percent of small MDIs, or 40 such credit unions, may be questioned about their self-designation annually during the examination process. If questioned, these MDIs would need to locate, download and review U.S. Census, Home Mortgage Disclosure Act, or other reasonable data, and submit it to the NCUA to support their MDI self-designation. We estimate the aggregate burden for such research and submission is 40 hours (1 hour \* 40 small MDIs).

MDIs with assets \$100 million and more must analyze the minority composition of their current membership and field of membership using one of the methods identified in IRPS

13-1 as described above, and retain the supporting documentation. As of December 31, 2023, there were 96 large MDIs (492 total MDIs – 396 small MDIs). We estimate the aggregate burden for such research and analysis is 288 hours (3 hours \* 96 large MDIs).

Total hours estimated are 367 annually, outlined in the table below.

Information Collection Activity	No. of Respondents	No. of Response Per Respondent (Frequency)	Total Annual Responses	Hours Per Response	Total Annual Burden
Assess Minority Composition of Board of Directors (All MDIs) (Reporting)	492	1	492	0.08 (5 mins)	39
Respond to Examination Inquiry (MDIs less-than \$100M assets) (Reporting)	40	1	40	1.0 (60 mins)	40.0
Document and Retain Minority Composition Members and FOM (MDIs \$100M assets and more) (Recordkeeping)	96	1	96	3 (180 mins)	288
TOTAL	492				367

The median hourly rate of a credit union assistant branch manager is estimated at \$26.50 per hour (367 hours \* \$26.50 per hour = total annual labor cost of \$9,735)<sup>4</sup>.

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

No capital start-up or operational and maintenance costs should be associated with the data collection.

**14. Annualized costs to Federal government.**

The estimated cost to the NCUA is negligible.

**15. Changes in burden.**

Adjustments were made to update information including the total number of MDIs, the number of small and large MDIs and the hourly cost of credit union labor. The time estimated for a small MDI to respond to an examination inquiry and for a large MDI to document its eligibility for the designation were increased based on current experience, to reflect more accurate accounting of the burden associated with this reporting and recordkeeping requirement.

**16. Information collection planned for statistical purposes.**

The information collection is not planned for statistical purposes.

<sup>4</sup> National average hourly rate for a credit union Assistant Branch Manager. Source: ZipRecruiter as of April 15, 2024, <https://www.ziprecruiter.com/Salaries/Assistant-Branch-Manager-Salary--in-Maryland>.

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

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at [www.reginfo.gov](http://www.reginfo.gov).

**18. Exceptions to Certification for Paperwork Reduction Act Submissions.**

This collection complies with the requirements in 5 CFR 1320.9.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not employ statistical methods.