

National Credit Union Administration
SUPPORTING STATEMENT

Chartering and Field of Membership Manual,
12 CFR 701.1, App. B to Part 701

OMB No. 3133-0015

A. JUSTIFICATION

1. Circumstances that make the collection of information necessary.

The Federal Credit Union (FCU) Act requires the National Credit Union Administration (NCUA) Board to administer chartering and field of membership requirements for FCUs, as prescribed by 12 U.S.C. 1759. The NCUA Board adopted the Chartering and Field of Membership Manual (Chartering Manual) and codified into NCUA's regulations as Appendix B to 12 CFR Part 701.

The requirements of the FCU Act, as implemented by the Chartering Manual, Chapters 1 through 4, and the appendices, necessitate the NCUA collect certain information. The Chartering Manual codifies policy and provide guidelines. The Credit Union Membership Access Act of 1998 provided a choice among three charter types:

- single group sharing a single occupational or associational common bond,
- multiple common bond, with each group having a distinct occupational or associational common bond, and
- community common bond among persons or organizations with a well-defined local community, neighborhood or rural district.

The FCU Act also provides for FCUs to add underserved areas and includes the requirements for conversion from federal to state credit union and state to federal credit union.

2. Purpose and use of the information collected.

The NCUA uses the information to determine if the charter application, field of membership amendment, or conversion application meets the above-referenced requirements of the FCU Act and NCUA regulations.

Each chapter and the appendices contain various information collections related to these requirements, as follows:

- In Chapter 1, Before NCUA approves an organization certificate (charter of a new credit union), NCUA must conduct an investigation to determine (1) if the organization certificate conforms to the FCU Act's requirements; (2) the general

character and fitness of the subscribers to the charter; and (3) the economic advisability of establishing the proposed FCU. Forms NCUA 4001, *Federal Credit Union Investigation Report*, and 4012, *Report of Official and Agreement to Serve*, also are required to meet this investigation need. In addition, proposed FCU organizers must submit business plans, wording for their proposed fields of membership, and complete NCUA 4008, *Organization Certificate*, 9500, *Application and Agreement for Insurance of Accounts*, and 9501, *Certification of Resolutions*.

- In Chapter 2, an FCU can apply to NCUA to amend its field of membership. The FCU must provide sufficient information to permit NCUA to make the determination. Single or multiple common bond FCUs can submit formal written requests using either the *Application for Field of Membership Amendment* (NCUA 4015) or a shorter form 4015-EZ (for groups of less than 3,000 potential members). NCUA previously designed the forms to reduce both the time FCUs spend submitting, and the time the NCUA spends reviewing, this information. NCUA also offers FCUs an electronic alternative to submitting the 4015-EZ by using the “Field of Membership Internet Application,” known as FOMIA. Form 4015-A is an option for amending a federal credit union’s field of membership when adding groups of potential members between 3,000 and 4,999. The NCUA 4015-A is a shorter form than the NCUA 4015, but more comprehensive than the 4015-EZ. Also under Chapter 2, an FCU can apply to NCUA to convert to a community charter or expand an existing community charter.¹
- Under Chapter 3, a multiple common bond FCU can apply to NCUA to add an underserved area to its field of membership.
- Under Chapter 4 and appendices, there are application procedures and forms related to conversions from an FCU to a state-chartered credit union, and vice versa. A credit union can complete the following NCUA forms for such conversions:
 - 4000, *Conversion of State Charter to a Federal Charter – Federal Credit Union Investigation Report*
 - 4221, *Notice of Meeting of Members to Convert from a Federal to State Chartered Credit Union*
 - 4401, *Application to Convert from a State to a Federal Credit Union*
 - 4505, *Affidavit – Proof of Results of Membership Vote – Proposed Conversion From Federal Credit Union to State Credit Union*
 - 4506, *Federal to State Conversion – Ballot for Conversion Proposal*
 - 9500, *Application and Agreements for Insurance of Accounts*
 - 9501, *Certification of Resolutions*
 - 9600, *Information to be Provided in Support of the Application of a State Chartered Credit Union for Insurance of Accounts*

3. Use of information technology.

¹ NCUA Letter 11-FCU-01; March 2011; Community Charter Conversions and Expansion; Template Business and Marketing Plan for Community Charter Conversions and Expansions

Forms are available as fillable PDF versions and are available at <https://www.ncua.gov/services/Pages/field-of-membership-chartering/manual.aspx> NCUA also offers FCUs an electronic alternative to submitting the 4015 forms by using the “Consumer Access Process and Reporting Information System,” known as CAPRIS, found at the NCUA Connect & Admin Portal: [NCUA Connect & Admin Portal | NCUA](#)

4. Duplication of information.

There is no duplication. Each application or other submission of information pursuant to this collection is completed for a specific particular matter related to a credit union’s chartering or field of membership issue.

5. Efforts to reduce burden on small entities.

NCUA provides assistance and sample guidelines, forms, and other instructions to interested persons and entities.

6. Consequences of not conducting the collection.

The information collected assists organizations start a new FCU, expand the field of membership for existing FCUs, and modify their charters. If this information were not collected, the NCUA would not be able meet the Agency’s mission by providing a safe and sound credit union system.

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 August 2, 2024, at 89 FR 63224, soliciting comments from the public. No public comments were received in response to this notice.

9. Payment or gifts to respondents.

No payment or gift to respondents will be made.

10. Assurance of confidentiality.

The content of form NCUA 4012, “Report of Official and Agreement to Serve,” is subject to the Privacy Act and any confidential information will not be disclosed to the public. Information in this form is requested for the purpose of completing the investigation required for a new Federal credit union (FCU) and will be primarily used in considering the soundness of the management for the proposed FCU. However, this form may be disclosed to any of the following sources: a congressional office in response to

your inquiry to that office; an appropriate Federal, state or local authority in the investigation or enforcement of a statute or regulations; or employees of a Federal agency for audit purposes. 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 process of chartering the proposed FCU.

11. Questions of a sensitive nature.

Information collected and maintained about officials of newly chartered credit unions is in accordance with the “Personnel Access and Security System (PASS), NCUA-1. A system of records notice (SORN) has been published for PASS on March 10, 2016, at 81 FR 12748.

12. Burden of information collection.

Information Collection	Form	# Respondents	# Responses per Respondent	Total Annual Responses	Hours per Response	Total Annual Burden
New Charter	4001, 4008, 4012, 9500, 9501	4	1	4	160	640
Single common bond & multiple common bond amendments	4015, 4015-A, 4015-EZ, FOMIA	9,140	1	9,140	0.45	4,113
Community Charter Conversion and Expansion Applications		49	1	49	160	7,840
Chapter 3: Low-Income Credit Unions and Credit Unions Serving Underserved Areas	Application to Add an Underserved Area	55	1	55	158	8,690
Chapter 4: Charter Conversions	NCUA Forms 4000, 4221, 4401, 4505, 4506, 9500, 9501, 9600	13	1	13	40	520
Totals		9,261		9,261		21,803

Based on the labor rate of \$35 per hour, the total cost to respondent is \$763,105.

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

There are no capital/start-up or ongoing operations/maintenance costs associated with this information collection.

14. Annualized costs to Federal government.

The information collected will be reviewed by NCUA staff. Therefore, the outside cost to NCUA is negligible.

15. Change in burden.

There is an increase in burden for this collection for the following reasons:

- On average, 4 new charters are chartered each year. This is an increase from the previous collection of 2 new charters. This results in an increase in burden of an additional 320 hours.
- There has been an increase in the number of single and multiple common bond expansions, a majority of which are from the trend of field of membership conversions from community charter to multiple common bond charter. This results in an increase in burden of 450 hours.
- The time taken to prepare a community charter expansion or conversion has decreased, as the number of narrative applications has decreased. This results in a decrease in burden of 520 hours.
- The number of underserved area applications approved has been steadily increasing and the average trend is 55 applications per year, up from 21 applications per year. This results in an increase in burden hours of 5,330 and constitutes a majority of the burden hour increase for this collection.

16. Information collection planned for statistical purposes.

The information will not be published.

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

The display of the expiration date of the OMB approval will cause confusion among entities who maybe seeking a charter or other services under this collection. Non-display of OMB expiration date is requested.

18. Exceptions to the Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection does not employ statistical methods.