National Credit Union Administration
SUPPORTING STATEMENT

Designation of Low Income Status, 12 CFR 701.34(a)
OMB No. 3133-0117

A. JUSTIFICATON

1. Circumstances that make the collection of information necessary.

The Federal Credit Union Act (12 U.S.C. 1752(5)) authorizes the NCUA Board to define low-income members so that credit unions with a membership serving predominantly low-income members can benefit from certain statutory relief and receive assistance from the Community Development Revolving Loan Fund (CDRLF).

Under the authority of 12 CFR §701.34(a), NCUA must obtain certain data to determine if a credit union qualifies for the designation. Specifically, NCUA collects member addresses or verifies member income through loan files or member surveys to determine if the credit union can benefit from statutory relief or is eligible to receive assistance from the CDRLF.

Section 701.34(a)(2) defines low-income members as follows:

> Low-income members are those members whose family income is 80% or less than the median family income for the metropolitan area where they live or national metropolitan area, whichever is greater, or those members who earn 80% or less than the total median earnings for individuals for the metropolitan area where they live or national metropolitan area, whichever is greater. NCUA will use the statewide or national, non-metropolitan area median family income instead of the metropolitan area or national metropolitan area median family income for members living outside a metropolitan area. Member earnings will be estimated based on data reported by the U.S. Census Bureau for the geographic area where the member lives. The term "low-income members" also includes those members enrolled as students in a college, university, high school, or vocational school.

2. Purpose and use of the information collection.

The Office of Credit Union Resources and Expansion (CURE), under delegated authority from the NCUA Board, analyzes data to ascertain if the credit union can be designated as low income. NCUA collects the information as an incidental part of the examination process that requires no additional burden on federal credit unions and some federally insured state-chartered credit unions.

> §701.34(a)(1) – After the analysis is performed, NCUA will notify the credit union of its eligibility. A credit union that wishes to receive the designation must respond to NCUA in writing within 90 days of receipt of NCUA's eligibility notification.

§701.34(a)(3) – Credit unions that do not receive notification that they qualify for a low-income designation, but believe they qualify may opt to submit member data (a file of member addresses) through a secure electronic submission for CURE to review. The credit union may also opt to provide actual member income derived from a statistically valid sampling of loan applications or survey its members to ascertain the income levels of its membership population.

§701.34(a)(4) –A Federal credit union may request NCUA to reconsider a determination that it no longer meets the criteria for the designation and/or file an appeal with the NCUA Board in accordance with the procedures set forth in subpart B to part 746 (OMB No. 3133-0198).

This information is necessary to identify and designate low-income credit unions to ensure eligibility to receive regulatory benefits and participate in the CDRLF program.

3. Use of information technology.

A credit union's member address data is either obtained through their most recent NCUA examination file or they use their computers to send the information to NCUA as electronic attachments.

4. Duplication of information.

There is no duplication. To mitigate redundancy in this process, we do not ask the credit unions to provide data the NCUA or the State Supervisory Authority (SSA) has access to during the examination process; member addresses are available to the examiners when on-site conducting the exams. NCUA and the SSAs gather the required data during the examination process. This data collection activity is seamless to the credit union and does not require additional time or effort above and beyond the scope of the examination process.

5. Efforts to reduce burden on small entities.

The impact is the same for all credit unions.

6. Consequences of not conducting the collection.

NCUA would not be able to provide any credit union with a low-income designation if the data was not collected. As a result, the program would cease, and credit unions serving low-income members would not have access to the benefits provided to low-income designated credit unions.

Regarding the frequency of the data collection activities, new data is collected through the regular examination process.

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 July 16, 2026 at 91 FR 43672, soliciting comments from the public. Two comments were received in response to that notice. No response was provided as the comments did not to the actual information collection request.

9. Payment or gifts to respondents.

There are no payment or gifts to respondents.

10. Assurance of confidentiality.

There is no assurance of confidentiality other than that provided by law.

11. Questions of a sensitive nature.

Information provided by the credit union to demonstrate eligibility through membership data involves providing member addresses with a member identifier. This data is destroyed once validated by NCUA.

12. Burden of information collection.

12 CFR	Information Collection Activity	# of Respondents	# Responses Per Respondent (frequency)	Total Annual Responses	Hours per Response	Total Annual Burden
701.34 (a)(1)	Acknowledgement of receipt of eligibility notification	15	1	15	0.25	3.75
701.34 (a)(3)	Demonstrate eligibility of designation thru member addresses	175	1	175	0.50	87.50
	Demonstrate eligibility of designation thru loan sampling of membership survey data	0	0	0	0	0
	Demonstrate eligibility of designation including military members.	1	1	1	0.50	0.50
701.34 (a)(4)	Appeal process for low income eligibility	Cleared under 3133-0198				
	Totals	191		191		92

Total cost to respondents is based on a $45 per hour labor wage rate: estimated 92 hours x $45 = $4,140.

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

There are no capital start-up or maintenance costs.

14. Annualized costs to Federal government.

Position	Activity	# Reports	Time per review	Total Review Time	Est. avg. hourly rate*	Total Cost
Technician /Specialist CU-9	Prepare and disburse approval letter	43	0.25	10.75	$45.00	$483.75
Analyst CU-13	Conducts membership address analysis through validation report tool	147	0.30	44.1	$75.00	$3,307.50
Analyst CU-13	Analysis and validation of sampling survey data	0	0	0	$75.00	$0
Analyst CU-13	Demonstrate eligibility of designation including military members.	1	.5	0.5	$75.00	$37.50
TOTAL Cost to the Federal Government						$3,828.75

*Average hourly rate based on maximum CU national pay rate.

15. Changes in burden.

The number of respondents was adjusted to align with information collected over the previous 3-year cycle. The total annual estimated burden hours are decreasing from 356 to 92.

16. Information collection planned for statistical purposes.

Not applicable.

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 website at 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 involve statistical methods.