

National Credit Union Administration
SUPPORTING STATEMENT

Leasing, 12 CFR Part 714
OMB Control Number: 3133-0151

A. JUSTIFICATION

1. Circumstances that make the collection of information necessary.

Section 714.5 of NCUA's Regulations requires a federal credit union engaged in leasing to obtain or have on file financial documentation demonstrating that the guarantor of an estimated residual value has the resources to meet the guarantee.

Estimated residual value is the projected future value of leased property at lease end. The accuracy of the estimated residual values used in a lease program is a fundamental element in the success or failure of a lease program. The higher the estimated residual values used by a federal credit union, the greater the potential for loss. To mitigate this risk, the leasing rule requires that if the amount of the estimated residual value relied on by the federal credit union to satisfy the full payout lease requirement exceeds 25 percent of the original cost of the leased property, the credit union must obtain a guarantee of the excess from a financially capable party.

If the guarantor cannot meet its guarantee, a federal credit union may suffer serious financial loss. Accordingly, it is important that a federal credit union documents that a guarantor has the financial resources and capability to meet the guarantee. If the guarantor is an insurance company, the federal credit union may satisfy this record keeping requirement by obtaining and maintaining information demonstrating that the insurance company has a rating equivalent to a B+ or better from a major rating company.

2. Purpose and use of the information collection.

A federal credit union will use the information to analyze and evaluate the financial capabilities and resources of a party that guarantees the residual value used in a leasing arrangement.

3. Use of information technology.

Not applicable.

4. Duplication of information.

This information collection is unique to federal credit unions and is not duplicated.

5. Efforts to reduce burden on small entities

This collection does not have a significant impact on a substantial number of small credit unions.

6. Consequences of not conducting the collection.

As stated above, it is important that a federal credit union document that a guarantor has the financial resources and capability to meet the guarantee. Otherwise, a federal credit union may suffer serious financial loss resulting in a risk to the National Credit Union Share Insurance Fund.

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 May 5, 2026 at 91 FR 24296, 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 NCUA to provide payments or gifts for information collected.

10. Assurance of confidentiality.

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

11. Questions of a sensitive nature.

The information collected is not of a personally sensitive nature. There is no collection or retention of personally identifiable information (PII).

12. Burden of information collection.

# Respondents	# Responses per Respondents	Total Annual Responses	Hours per Response	Total Annual Burden Hours
79	6	474	2	948

Based on recent data, NCUA estimates that 79 federal credit unions are engaged in leasing activities and that it will take an average of 2 hours to collect and analyze the information.

Further, we estimate that each credit union will, on average, grant 6 leases per year where they rely on the excess residual value is greater than 25 percent of the original cost of the leased property. The total annual collection burden is estimated to be approximately 948 hours.

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.

NCUA staff will review the information as part of the regular examination process. Therefore, there is no additional cost to NCUA.

15. Change in Burden

This is an extension of a currently approved collection. An adjustment was made to the number of credit unions that offer leasing products attributed to current updated data since the last collection request.

16. Information collection planned for statistical purposes.

There is no plan to use this information for statistical purposes or to support publication of results.

17. Request non-display of 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.

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.