

7535-01-U

**NATIONAL CREDIT UNION ADMINISTRATION**

**Modernizing Data Collection for Supervision of Credit Unions**

**AGENCY:** National Credit Union Administration.

**ACTION:** Notice; Request for Information (RFI)

**SUMMARY:** At the May 19, 2016, meeting of the NCUA Board, the agency discussed plans for modernizing NCUA's collection of data from federally insured credit unions. Key goals of the modernization effort include reducing the reporting burden on credit unions, improving offsite supervision capability, and updating the organization of the forms and related instructions.

In June 2016, the NCUA issued a Request for Information in the [Federal Register](#) seeking public input on the regulatory data collected through the Call Report and Profile, resulting in 684 individual comments. In September 2016, the Call Report Modernization Working Group solicited feedback from agency staff and state supervisory authorities, resulting in 492 comments. The working group also hosted phone calls with state supervisory authorities and credit unions representing each of the five asset peer groups during October 2016. These calls gave stakeholders an additional opportunity to have a dialogue on recommendations for the Call Report and Profile. The working group reviewed all stakeholder comments and posted summaries of the comments on the NCUA's [Call Report Modernization](#) webpage.

The working group also conducted additional technical research, such as on generally accepted accounting principles relevant to the Call Report. The working group's

comprehensive analysis resulted in this proposal to reorganize the schedules in the Call Report and Profile, retire obsolete account codes, and relocate some account codes to other collections. The proposed streamlining for the Call Report results in a net reduction of roughly 40 percent of account codes. The proposed changes to the Profile result in approximately a 20 percent net reduction.

The proposed updates to the 5300 Call Report and 4501A Profile forms, instructions, and related background material are available for review and comment, online at

<https://www.ncua.gov/About/Pages/open-government/call-report-modernization.aspx>.

Target participants include credit unions, credit union leagues, trade associations, regulators, and industry-related persons.

**DATES:** Comments must be received on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Comments may be submitted using one of the methods below (Please do not send comments through multiple methods). Include “[Your name and company name (if any)]—Call Report/Profile Content Modernization” in all correspondence.

- **Mail:** Please direct written comments related to Call Report/Profile Content Modernization to Mary Thor, National Credit Union Administration, Office of Examination and Insurance, 1775 Duke Street, Alexandria, VA 22314.
- **E-mail:** Address to [CallReportMod@ncua.gov](mailto:CallReportMod@ncua.gov). Any of the following formats is acceptable: HTML, ASCII, Word, RTF, TXT or PDF.

NCUA will post all material received by the deadline on the agency website ([www.ncua.gov](http://www.ncua.gov)) without alteration or redaction, so commenters should not include information they do not



want to become public (such as personal or confidential business information). Spam or marketing materials will be discarded without publication. All comments should be specific to this notice on the proposed Call Report and Profile forms and instructions.

**FOR FURTHER INFORMATION CONTACT:** Mary Thor, National Credit Union Administration, Office of Examination and Insurance, 1775 Duke Street, Alexandria, VA 22314, telephone (703) 518-6586, and email [mthor@ncua.gov](mailto:mthor@ncua.gov). Media inquiries should be directed to NCUA's Office of Public and Congressional Affairs at (703) 518-6330 or [pacamail@ncua.gov](mailto:pacamail@ncua.gov).

**SUPPLEMENTARY INFORMATION:** The National Credit Union Administration's (NCUA) regulation and supervision of federally insured credit unions is designed to protect the safety and soundness of credit unions and enforce applicable laws and regulations. As the financial services industry and credit union landscape evolve, the NCUA must regularly review and update our data collection and other supervisory processes. While the NCUA is proposing to reduce the amount of data collected through the 5300 Call Report, credit unions will need to maintain supporting documentation for the information typically requested during examination and supervision contacts. The NCUA uses the Call Report and Profile to collect financial and nonfinancial information from federally insured credit unions. The resulting data are integral to risk supervision at institution and industry levels, which is central to safeguarding the integrity of the National Credit Union Share Insurance Fund.

After extensive outreach, the working group developed a prototype of streamlined Call Report and Profile forms. The current Call Report has 1,523<sup>1</sup> account codes (the September 2017 post-MBL/Commercial loan changes). The prototype retires 1,017 account codes. Most of the account codes proposed to be retired are no longer needed, but some would be collected through another means, such as the exam process.

The prototype Call Report adds 413 new account codes to accommodate necessary changes such as for ASC Topic 326, Financial Instruments Current Expected Credit Losses and for the risk-based capital rule currently scheduled to go into effect in January 2019.<sup>2</sup>

After these additions, the final number of total account codes on the prototype Call Report is 919 – a net reduction of approximately 40 percent.<sup>3</sup> The schedules have been reorganized so they are separated by programs and significantly smaller. The reorganization of the schedules would also facilitate an adaptive user interface the NCUA plans to provide for CU Online as part of the Enterprise Solutions Modernization. The prototype also includes improved instructions. The Profile underwent a similar review and redesign, eliminating outdated data elements and attributes resulting in a reduction of approximately 150 data elements and attributes. All of these changes incorporate the stakeholder feedback received.

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<sup>1</sup> Of the 1,523 account codes, 1,179 account codes are for data input. The remaining accounts are calculated or prepopulated.

<sup>2</sup> The NCUA is considering delaying the effective date of this rule, as well as modifying or eliminating the rule. This schedule would revert to the current risk-based net worth requirement collection if the risk-based capital rule is delayed or eliminated, and would otherwise be modified based on any changes to the capital rules the Board might adopt. The risk-based schedule was designed as a stand-alone schedule so it could be removed or modified without impacting any other schedules of the Call Report.

<sup>3</sup> Of the 919 account codes, 753 account codes are for data input and the remaining account codes are calculated or prepopulated. However, the proposed new form provides for credit unions to report information based on ASC 326 (CECL) if they have chosen to adopt it early. Otherwise, credit unions would continue to report based on current account standards. CECL is an either/or selection in the new form; thus the total account codes and the fillable account codes for a credit union adopting CECL is 891 and 733 respectively, and 871 and 716 respectively if they have not early adopted CECL.



## **Request for Comment**

The NCUA is seeking comments on all proposed changes to the Call Report form 5300, the Profile form 4501A, and their accompanying instructions. The proposed forms and instructions are available on the NCUA's Call Report Modernization webpage. When reviewing the comment documents, please consider the following questions.

1. Are there account codes that are proposed to be retired that are still pertinent? If so, please provide the account code(s) and the reason for maintaining it.
2. Are there additional account codes that should be retired or consolidated? If so, please provide the account code(s) and the reason for retiring it.
3. Are relocated account codes grouped logically? If not, please propose a location you feel is more logically suited.
4. Should any of the schedules be expanded to assist in analysis based on new rules or accounting changes? If so, please provide details of data the NCUA should also collect.
5. Are the instructions adequate in both content and design? If not, please cite specific sections that require improvement or correction.
6. How much lead time do credit unions need to work with vendors to make changes to their systems in order to support such changes to the Call Report?
7. Are there any other operational issues the NCUA should be aware of prior to implementing the proposed changes?

8. From your perspective, do you think this is a reduction in your reporting burden? Please explain.

Information received will not be used for statistical purposes. Responses containing references to studies, research, or data not widely available to the public should include copies of referenced materials. A description of the commenter's organization and its interest in the Call Report and Profile will help the NCUA use the input provided.

**NEXT STEPS:** The NCUA will review all comments and make necessary changes before implementing the future Call Report and Profile forms. When the NCUA is ready to implement the future Call Report and Profile forms, the OMB Paperwork Reduction Act process will be used to formally announce planned changes.

By the National Credit Union Administration, this 25<sup>th</sup> day of January, 2018.



Gerard Poliquin  
Secretary of the Board