

November 21, 2005

Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: Michigan Credit Union League's Comments on Proposed Rule Section 741.6 - Call Reports

Dear Ms. Rupp,

The Michigan Credit Union League (MCUL) appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) concerning the proposed changes to the 5300 or Call Reports. The MCUL is a trade association representing over 90% of state and federally chartered credit unions in the state of Michigan. This comment letter was drafted in consultation with the MCUL Government Affairs Committee, which is comprised of Michigan credit union staff and officials.

MCUL favors situations that create simplified reporting for all credit unions and in particular smaller credit unions. We believe that the new report, while simplifying things for larger credit unions, will create some additional burden on small credit unions that currently are able to file a simplified report on a semi-annual basis instead of quarterly. With this being said, we believe that the new report will benefit the majority of credit unions and simplify and create consistency within the overall reporting process, therefore we support the changes.

Summary of Comments

- MCUL supports the use of the new form and the consistent reporting process across all credit unions. We do not believe this will create an immense burden for smaller credit unions.
- MCUL encourages the NCUA to continue to look for additional ways to simplify the reporting process and enable more information to be consolidated or imported from past reports to ease the burden of reporting.
- MCUL requests that credit unions have at least six months to a year window from when the Call Reports are finalized to familiarize and educate themselves about the new reporting before they will be expected to use the revised reports.

Discussion

Support of the New Form. MCUL supports a new Call Report and reporting schedule for the following reasons:

- The improved consolidation of information.
- A reduction in the number of schedules.
- Greater ease in being able to be read and used.
- Reporting consistency from cycle to cycle that benefits all credit unions.
- A shortened, abbreviated form.
- Small credit unions will usually only have to complete the first ten pages of the report and not have to complete the supporting schedules.
- A reduction in the overall number of schedules from seven to three: Specialized Lending, Investments, and CUSO Information.

MCUL believes that this will create some additional burden for small credit unions due to the increase reporting frequency and increased length in their reports; however because of the improved consistency in reporting and an overall simplification in the reports we believe that these changes will benefit most credit unions in the long term.

Examine Additional Ways to Improve the Reporting Process. MCUL believes the NCUA's process to consolidate and ease financial reporting will benefit both the NCUA as well as the credit union industry. MCUL encourages the NCUA to continue to look for additional ways to continue to improve the reporting process. Some of these ways may include:

- Look for ways to identify previously provided information that is unlikely to change and only request that information one time, or perhaps annually, instead of on every report.
- Look for ways to determine if information in one section of the report can be imported to answer a question or fill in information in another section of the report.
- Look for requests for information that do not provide data necessary to determine the financial health of the credit union, and remove those requests.
- Look for ways to change sections of the report to eliminate information overlaps that could create confusion among readers, and improve explanations of what different data represents.

MCUL believes that if some of these changes were made the reports could become less burdensome for credit unions to complete and increasingly transparent to other interested users. Any situation which can improve financial transparency and improve the reporting process benefits all credit union stakeholders.

Provide At Least A Six Month to One Year Window Before Using the New Reports. MCUL encourages the NCUA to provide at least six months to a year period from the date the new Call Reports are finalized to the first quarter in which they are required to be completed. We believe that while the new report will improve the reporting process, proper time should be allocated for all credit unions (and in particular smaller credit unions) to properly familiarize themselves with the new reports. As the NCUA is aware, many small credit unions work with limited staff that may be

responsible for several duties within the credit union. These credit union staffers will need a greater amount of time to familiarize themselves with the reporting changes, than a dedicated accounting person that works for a larger credit union. As a result we encourage the NCUA to take this information into consideration before setting an implementation date for the revised reports.

We appreciate the opportunity to comment.

Sincerely,

A handwritten signature in black ink that reads "Matthew O. Beard". The signature is written in a cursive style with a large, looped initial "M".

Matthew Beard
Regulatory Specialist
Michigan Credit Union League

cc: Credit Union National Association, Inc.