2018 - 2019 Budget Proposal
October 18, 2017

This presentation contains pre-decisional estimates subject to change.
AGENDA

❖ Budget Overview and Process
❖ Agency Reform Plan
❖ Priorities and Initiatives
❖ Operating Budget
❖ Capital Budget
❖ Share Insurance Fund Administrative Budget
❖ Conclusion
❖ Supplemental Information
# Budget Overview

## Resource Summary

### 2017 - 2019 NCUA Budget Resources

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</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$298,164,000</td>
<td>$292,104,000</td>
<td>$298,178,000</td>
<td>6,074,000</td>
<td>2.1%</td>
<td>$302,771,000</td>
<td>$4,593,000</td>
<td>1.5%</td>
<td>1,183</td>
<td>1,169</td>
<td>(14)</td>
</tr>
<tr>
<td>Capital Budget</td>
<td>15,791,000</td>
<td>15,791,000</td>
<td>15,403,000</td>
<td>(388,000)</td>
<td>-2.5%</td>
<td>21,146,000</td>
<td>$5,743,000</td>
<td>37.3%</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Share Insurance Fund</td>
<td>4,090,000</td>
<td>10,055,000</td>
<td>7,376,000</td>
<td>(2,679,000)</td>
<td>-26.6%</td>
<td>7,454,000</td>
<td>$78,000</td>
<td>1.1%</td>
<td>5</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$318,045,000</strong></td>
<td><strong>$317,950,000</strong></td>
<td><strong>$320,957,000</strong></td>
<td><strong>$3,007,000</strong></td>
<td><strong>0.9%</strong></td>
<td><strong>$331,371,000</strong></td>
<td><strong>$10,414,000</strong></td>
<td><strong>3.2%</strong></td>
<td>1,188</td>
<td>1,174</td>
<td>(14)</td>
</tr>
</tbody>
</table>
Budget Development Process

The budget was developed in conjunction with work on the Agency Reform Plan, and the development of the NCUA’s draft 2018-2022 Strategic Plan.

- The budget is a product of thorough planning and evaluation by all offices to use resources effectively and in an efficient manner without sacrificing the NCUA’s core mission of protecting safety and soundness.

- Every office must justify every line item they request and explain the methodology used for cost estimates. Comprehensive workload analysis is a primary input to determine time and personnel resources for the NCUA field program.

- The Chief Financial Officer and the Executive Director discuss requests with the central offices and make recommendations to Board Members, resulting in the budget presented today.
Change in Budgetary Presentation

The NCUA is modifying its presentation of budgetary estimates in this budget. The change will:

- More clearly focus the budgetary presentation on all planned NCUA spending
- Focus the presentation on budgetary matters within the Board’s control
- Align better to financing requirements
- Clarify and strengthen the agency’s internal funds control
- Align better with Federal budget guidance and principles contained in the Office of Management Circular A-11.

This change has no impact on basis of accounting for the NCUA’s financial statements.
Agency Reform--The Need for Change

- The U.S. financial sector, including the credit union system, has changed materially since our last top-to-bottom review in 2003.

- There are fewer credit unions, but they are larger and more complex, which creates different risks and process needs for the NCUA.

- To become more efficient and effective, the NCUA must take advantage of opportunities to invest in information technology and data analytics.
Agency Reform--Process

- Over the past year the NCUA took a comprehensive look at overall operations.

- Specific agency work teams reviewed:
  - The regional office structure and processes
  - The structure and operations of the Asset Management and Assistance Center
  - Central office structure, alignment and processes

- The effort was begun before, but is consistent with, *Executive Order on Comprehensive Plan for Reorganizing the Executive Branch (Executive Order 13781 issued March 13, 2017).*
The Budget supports the NCUA’s strategic goals and the actions approved by the Board in the Agency Reform Plan. The key themes for the NCUA in this budget are:

- **Implementing Efficiencies** to curtail operating cost increases and invest in priorities
- **Improving Operations** through information technology, data analytics and personnel
- **Focusing on Core Mission** through organizational realignments
- **Increasing Agency Compliance** with Federal laws, regulations and mandates
Implement budget savings actions in 2018-2019, including those approved as part of the Agency Reform Plan:

- Consolidating from 5 regions to 3, and eliminating regional office staff
- Increasing the ratio of supervisory examiners to examiners from 1:8 to 1:10 over 2 years through attrition
- Initiating actions that will enable an 80 percent reduction in leased office space by 2020
- Continuing to reduce agency travel and training expenses without adversely impacting mission
Modernize the NCUA’s technology solutions to create an integrated examination and data environment and facilitate a safe a sound credit union system.

- Multi-year effort established to manage the modernization effort and includes three key priorities:
  - Examination & Supervision Solution - Replace the existing legacy examination system and related supporting systems such as AIRES, TMS, MARS, and NSPM tools
  - Data Collection & Sharing Solution - Define capabilities required for a common platform to securely collect and share financial and non-financial data
  - Data Reporting Services - Implement business intelligence tools and establish a data warehouse to enhance analytics and provide more robust data reporting
Priority: Focus on Core Mission

Streamline the organization and allow the agency to focus on core mission through:

- Creating the Office of Credit Union Resources and Expansion to serve as the focal point for all Credit Union development interactions
- Transitioning the small credit union consulting program to an online platform
- Redefining the Office of Consumer Financial Protection to focus exclusively on consumer and member functions
- Reforming the Asset Management and Assistance Center to include changes to the servicing business model realigning functional staff to their central office counterparts
While the NCUA has certain flexibility as an independent agency, it also must comply with certain Federal laws, regulations and mandates. The Budget includes resources to:

- Enhance acquisition operations in support of the NCUA commitment to obtain products and services at fair and reasonable prices
- Consolidate and enhance records management services in compliance with Federal law
- Enhance the NCUA’s internal cyber security and information security programs
### Operating Fund Budget

<table>
<thead>
<tr>
<th>$millions</th>
<th>2017 (restated)</th>
<th>2018</th>
<th>2019</th>
<th>Change 2017 to 2018</th>
<th>% Change 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$292.1</td>
<td>$298.2</td>
<td>$302.8</td>
<td>$6.1</td>
<td>2.1%</td>
</tr>
<tr>
<td>FTE</td>
<td>1,225</td>
<td>1,183</td>
<td>1,169</td>
<td>-42</td>
<td>-3.8%</td>
</tr>
</tbody>
</table>

#### Operating Fund 2018 Budget

(in millions of dollars)

- Pay & Benefits, $220.8, 74%
- Contracted Services, $35.0, 12%
- Administrative, $7.5, 2%
- Rent, Comm. & Utilities, $8.5, 3%
- Travel, $26.4, 9%
## Operating Fund Budget by Category

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee compensation</td>
<td>214,453,000</td>
<td>220,756,000</td>
<td>6,303,000</td>
<td>2.9%</td>
<td>224,300,000</td>
<td>3,544,000</td>
<td>1.6%</td>
</tr>
<tr>
<td>Salaries*</td>
<td>152,148,000</td>
<td>158,852,000</td>
<td>6,704,000</td>
<td>4.4%</td>
<td>161,700,000</td>
<td>2,848,000</td>
<td>1.8%</td>
</tr>
<tr>
<td>Benefits</td>
<td>62,305,000</td>
<td>61,904,000</td>
<td>(401,000)</td>
<td>-0.6%</td>
<td>62,600,000</td>
<td>696,000</td>
<td>1.1%</td>
</tr>
<tr>
<td>Travel</td>
<td>28,465,000</td>
<td>26,433,000</td>
<td>(2,032,000)</td>
<td>-7.1%</td>
<td>26,322,000</td>
<td>(111,000)</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Rent/Comm/Utilities</td>
<td>8,064,000</td>
<td>8,490,000</td>
<td>426,000</td>
<td>5.3%</td>
<td>8,575,000</td>
<td>85,000</td>
<td>1.0%</td>
</tr>
<tr>
<td>Administrative*</td>
<td>7,814,000</td>
<td>7,484,000</td>
<td>(330,000)</td>
<td>-4.2%</td>
<td>7,559,000</td>
<td>75,000</td>
<td>1.0%</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>33,308,000</td>
<td>35,015,000</td>
<td>1,707,000</td>
<td>5.1%</td>
<td>36,015,000</td>
<td>1,000,000</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$292,104,000</td>
<td>$298,178,000</td>
<td>6,074,000</td>
<td>2.1%</td>
<td>$302,771,000</td>
<td>4,593,000</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

*Prior Year Adjustment (-$1.8M accrued annual leave, -$5.6M depreciation expense and +$1.34M King Street Station note)*
Ten-Year Trend

Operating Fund Budget Changes

% Change from Previous Year

- 2010: 13.0%
- 2011: 12.2%
- 2012: 5.1%
- 2013: 6.1%
- 2014: 6.7%
- 2015: 4.2%
- 2016: 4.1%
- 2017: 2.5%
- 2018: 2.1%
- 2019: 1.5%
Pay and Benefits

<table>
<thead>
<tr>
<th>$millions (restated)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Change 2017 to 2018</th>
<th>% Change 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$214.5</td>
<td>$220.8</td>
<td>$224.3</td>
<td>$6.3</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

- Salary growth complies with collective bargaining agreement average merit of 4% plus locality ranges from 0 to 3% to “maintain comparability with other federal bank regulatory agencies” per Federal Credit Union Act.
- 2018: Reduction of 22 credit union examiner positions supports the second year of Examination Flexibility initiative, additional reductions include 20 regional positions, and 15 supervisory examiners associated with the agency reform plan.
- 2019: Reduction of 15 regional office staff.
- Other personnel compensation costs include salary adjustments associated with promotions and position changes.
- Personnel benefits cost components include mandatory employer contributions for Social Security, Medicare, retirement, health insurance, and workers compensation.
## Travel

<table>
<thead>
<tr>
<th>$millions</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Change 2017 to 2018</th>
<th>% Change 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$ 28.5</td>
<td>$ 26.4</td>
<td>$ 26.3</td>
<td>-$2.1</td>
<td>-7.1%</td>
</tr>
</tbody>
</table>

- Travel reduction reflective of reduced credit union examiner positions (57 FTE in 2018 and 15 FTE in 2019)
- Cost savings are possible through a reduction in the amount of onsite examination time spent at credit unions
- More virtual training options expected to minimize travel
Rent, Communications and Utilities

<table>
<thead>
<tr>
<th>$millions</th>
<th>2017 (restated)</th>
<th>2018</th>
<th>2019</th>
<th>Change 2017 to 2018</th>
<th>% Change 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$8.1</td>
<td>$8.5</td>
<td>$8.6</td>
<td>$0.4</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

- Recurring costs to support the NCUA infrastructure and operations. Major cost categories include:
  - Telecommunications (phone and internet)
  - Office space rental for central office, regional offices, and Asset Management and Assistance Center (AMAC)
  - Office utilities and postage
  - Anticipate future savings with 80 percent reduction to leased space by 2020
Administrative Services

<table>
<thead>
<tr>
<th>$millions (restated)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Change 2017 to 2018</th>
<th>% Change 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$ 7.8</td>
<td>$ 7.5</td>
<td>$ 7.6</td>
<td>-$ 0.3</td>
<td>-4.2%</td>
</tr>
</tbody>
</table>

Cost components support ongoing operations costs and include Federal Financial Institutions Examination Council (FFIEC) reimbursement fees, employee relocation expenses, recruitment and advertising, shipping, printing, meeting supplies and office materials.

- Increased cost attributed to higher FFIEC cost sharing expected for 2018.
- General administrative cost savings expected with reductions to recruitment and advertising, printing, supplies and shipping expenses.
Recurring contract support includes:
- Building physical security and IT information security program
- Administrative systems to support financial management services that include both accounting and travel
- Examiner training requirements
- Enterprise risk management and financial management modernization
- IT support for enterprise architecture, website support, IT service desk, and IT modernization
- Human resource business system replacement of legacy human resources and payroll system with modernized solution
- Ongoing operations and maintenance costs for legacy and new systems
Contracted Services

2018 Budget = $35M

- Audit and Financial Management Support: 6%
- Information Technology Operations and Maintenance: 38%
- Accounting, Procurement, Payroll and HR Systems and Services: 14%
- Building Operations, Maintenance and Security: 10%
- Information Technology Security: 11%
- Administrative/Other: 12%
- Training: 9%

2018-2019 Budget Briefing
<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Budget</th>
<th>2018 Budget</th>
<th>Change 2017/18</th>
<th>2019 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IT software development investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Business Intelligence Tools and capability enhancement, AMAC servicing system solution, Enterprise Data Analytics Governance and Reporting Services, Asset and Liability Management Application, Human resource business solution, and Enterprise Learning Management system replacement)</td>
<td>$11.8</td>
<td>$5.6</td>
<td>-$6.2</td>
<td>$15.1</td>
</tr>
<tr>
<td><strong>IT hardware and system costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Enterprise laptop refresh, IT infrastructure platform and security refresh, agency modernization infrastructure support, agency web design and platform modernization, HMDA system, Credit and deposit analytic solution.)</td>
<td>$2.2</td>
<td>$9.0</td>
<td>$6.8</td>
<td>$5.5</td>
</tr>
<tr>
<td><strong>Capital building improvements and repair projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(General building renovations and improvements)</td>
<td>$1.8</td>
<td>$0.8</td>
<td>-$1.0</td>
<td>$0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$15.8</td>
<td>$15.4</td>
<td>-$0.4</td>
<td>$21.1</td>
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</table>
## Share Insurance Fund Administrative Budget

<table>
<thead>
<tr>
<th></th>
<th>$millions 2017</th>
<th>2017 (Restated)</th>
<th>2018</th>
<th>2019</th>
<th>Change 2017/18</th>
<th>Percent Change 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUDGET</strong></td>
<td>$4.1</td>
<td>$10.1</td>
<td>$7.4</td>
<td>$7.5</td>
<td>-$2.7</td>
<td>-26.6%</td>
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<tr>
<td><strong>FTE</strong></td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### Share Insurance Fund 2018 Administrative Budget

- **SIF Direct Expenses**: $3.4 million (46%)
- **Pay & Benefits**: $1.3 million (17%)
- **Travel**: $0.1 million (1%)
- **Contracted Services/Training**: $2.6 million (36%)

2018-2019 Budget Briefing
## 2018 - 2019 SHARE INSURANCE FUND BUDGET

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Pay and Benefits</td>
<td>$1,193,000</td>
<td>$1,193,000</td>
<td>$1,260,000</td>
<td>67,000</td>
<td>5.6%</td>
<td>$1,330,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Travel</td>
<td>70,000</td>
<td>70,000</td>
<td>75,000</td>
<td>5,000</td>
<td>7.1%</td>
<td>75,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Administrative (NGN Staff Training)</td>
<td>19,000</td>
<td>19,000</td>
<td>30,000</td>
<td>11,000</td>
<td>57.9%</td>
<td>30,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Support for NCUA Guaranteed Note Program</td>
<td>2,808,000</td>
<td>2,808,000</td>
<td>2,586,000</td>
<td>(222,000)</td>
<td>-7.9%</td>
<td>2,594,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Consulting</td>
<td>923,000</td>
<td>923,000</td>
<td>695,000</td>
<td>(228,000)</td>
<td>-24.7%</td>
<td>700,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Valuation Services</td>
<td>1,080,000</td>
<td>1,080,000</td>
<td>1,080,000</td>
<td>-</td>
<td>0.0%</td>
<td>1,080,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Software/Data Subscriptions</td>
<td>805,000</td>
<td>805,000</td>
<td>811,000</td>
<td>6,000</td>
<td>0.7%</td>
<td>814,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Share Insurance Fund Direct Expenses:</td>
<td>5,965,000</td>
<td>3,425,000</td>
<td>2,540,000</td>
<td>(2,540,000)</td>
<td>-42.6%</td>
<td>3,425,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>State Examination computer leases</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
<td>500,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>State Examination Training</td>
<td>1,025,000</td>
<td>1,025,000</td>
<td>-</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1,025,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Stress testing for large credit unions</td>
<td>3,920,000</td>
<td>1,450,000</td>
<td>(2,470,000)</td>
<td>-63.0%</td>
<td>-63.0%</td>
<td>1,450,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Financial Audit Support</td>
<td>520,000</td>
<td>450,000</td>
<td>(70,000)</td>
<td>-13.5%</td>
<td>-13.5%</td>
<td>450,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>$4,090,000</td>
<td>$10,055,000</td>
<td>$7,376,000</td>
<td>(2,679,000)</td>
<td>-26.6%</td>
<td>$7,454,000</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
As discussed, the NCUA 2018-2019 budget incorporates the on-going budgetary savings and expenses associated with the Reform Plan.

Outside this budget, the NCUA also expects to have one-time costs associated with the transformation. The planned source of the one-time costs is savings from 2017 operations.

One-time costs are estimated to be approximately $9.5 million, which is for expenses such as:

- Employee separation expenses
- Employee relocation expenses
- Facilities alterations
- Studies on data management and analytics
Conclusion

- The 2018-2019 budget is a measured request, built in conjunction with the Agency Reform Plan.
- The budget includes expenditures needed to ensure the NCUA can successfully execute its mission and strategic goals.
- The NCUA will implement operating efficiencies that will reduce staffing requirements and invest in information technology and data analytics to improve agency performance.
- The NCUA has been reducing the budget growth for five straight years.
Key NCUA Budget and Supplementary Materials:
https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx

Operating Fund Board Action Memorandum
- Approves projects and spending for all NCUA offices

Budget in Brief
- Executive Summary of the approved budget

Fact Sheets
- Short informational summary of NCUA key processes

Budget Detail
- Office budget line item detail

2018-2019 Budget Briefing
Feel free to contact our office with questions or comments.

Primary Staff: Rendell L. Jones
Chief Financial Officer

E-mail Address: rljones@ncua.gov

Office Phone: (703) 518-6570

Website:
https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx
Supplemental Budget Information

- Industry and NCUA Trends (graphs)
- The NCUA Funds
- Budget Background
Number of institutions is falling...

Number of Federally Insured Credit Unions, End of Year

Source: NCUA Call Reports

2017 figure is for Q2
...but membership and assets are rising.

Assets and Membership at Federally Insured Credit Unions, End of Year

- **2007**
  - Members: 86.9M
  - Assets: $755B
  - Deposits: $632B

- **2017**
  - Members: 109.3M
  - Assets: $1,351B
  - Deposits: $1,145B

Source: NCUA Call Reports

2017 figures are for Q2
The number of large credit unions is rising...

Number of Federally Insured Credit Unions with Assets of at Least $500 Million, End of Year

- 2007: 304
- 2017: 520

Source: NCUA Call Reports

2017 figure is for Q2
...and they account for most of the members and assets in the system.

### Membership and Asset Share of Federally Insured Credit Unions with Assets of at Least $500 Million, End of Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership Share</th>
<th>Asset Share</th>
<th>Deposit Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>44.6%</td>
<td>57.0%</td>
<td>56.3%</td>
</tr>
<tr>
<td>2017</td>
<td>68.2%</td>
<td>75.0%</td>
<td>74.2%</td>
</tr>
</tbody>
</table>

**Source:** NCUA Call Reports

2017 figures are for Q2
The NCUA Costs per FICU Assets Are Coming Down

NCUA Budget per Million $ of FICU Assets

Source: NCUA Annual Budgets, Call Reports
* FICU assets are as of end of previous year.

Financial Crisis Begins
The NCUA Costs per FICU Assets Compared to Bank Agency Costs

NCUA Budget per Million $ of FICU Assets

FDIC Operating Budget, OCC Budget Activity and Federal Reserve Supervision Costs per Million $ of FDIC Insured Assets

Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports

* Assets are as of end of previous year.
The NCUA Costs per Institution Compared to Bank Agency Costs

NCUA Budget per Federally Insured Credit Union

FDIC Operating, OCC, and Federal Reserve Supervision Costs per FDIC Insured Institution

NCUA Budget per FICU

Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports
1. Operating Fund
Per the Federal Credit Union Act, the management of the Administration is vested in the National Credit Union Administration (NCUA) Board. The Board approves the Operating Fund budget to pay the expenses necessary to carry out its responsibilities under the Act.

2. Share Insurance Fund
The National Credit Union Share Insurance Fund is the federal fund created by Congress in 1970 to insure member's deposits in federally insured credit unions.

3. Temporary Corporate Credit Union Stabilization Fund
The Stabilization Fund budget includes the costs of the NCUA Guaranteed Notes (NGN) Securities Management and Oversight Committee as well as costs incurred by other NCUA offices in support of the Corporate System Resolution Program. This fund was closed September 30, 2017 and merged with the Share Insurance Fund.

4. Central Liquidity Fund
The CLF is a mixed ownership government corporation created to improve the general financial stability of credit unions by serving as a liquidity lender to credit unions experiencing unusual or unexpected liquidity shortfalls.

5. Community Development Revolving Loan Fund (appropriated)
The Community Development Revolving Loan Fund provides grants and loans to low-income designated credit unions.
The NCUA Budget Background

Funds Presented in the FY 2018 President’s Budget

- National Credit Union Share Insurance Fund
- Operating Fund
- Temporary Corporate Credit Union Stabilization Fund
- Central Liquidity Facility
- Community Development Revolving Loan Program
The NCUA Budget Background

- **Calendar Year versus Government Fiscal Year**
  - The NCUA operates on a calendar year
  - Budgets and financial reporting coincide with calendar year
  - The NCUA Operating Fee and Share Insurance Fund 1% deposit assessments are based on previous December 31 year-end balance of credit union assets and insured shares, respectively

- **Budget submissions to Congress**
  - NCUA’s calendar year budgets are converted to the federal government’s fiscal year