

Appendix A: CUSO Reporting Requirements

Effective June 30, 2014, the final regulations require federally insured credit unions (FICUs) to obtain a written agreement from a CUSO, prior to investing in or lending to the CUSO, that the CUSO will provide information to NCUA and the state supervisory authority, as applicable, on an annual basis.¹

In light of the comments received on the proposed rule, the scope and application of the reporting requirement in the final rule primarily focuses on CUSOs that engage in certain complex or high-risk activities.² As shown in the table below, these CUSOs must provide more detailed information in addition to the information required for basic registration.

Table: CUSO Reporting Requirements

What information is required?	Who must report this information?
Tax ID	All CUSOs (information is required for basic registration)
Legal name	
Address	
Telephone number	
Website address (URL)	
Contact person	
Services offered	
FICUs that invest in, lend to, or receive services from the CUSO	
Parent/subsidiary CUSO information (if applicable)	
Services provided to each FICU customer	
Investment, loan, or level of activity of each FICU	
Annual financial statements (<i>upload process</i>)	
Total dollar amount of loans outstanding	CUSOs that offer credit or lending services
Total number of loans outstanding	
Total dollar amount of loans granted year-to-date	
Total number of loans granted year-to-date	

¹ While NCUA does not have direct statutory and regulatory authority over CUSO operations, Section 107 of the Federal Credit Union Act provides the agency the authority to regulate federal credit unions' lending and investment in CUSOs. NCUA has regulated this lending and investment authority in the CUSO-related rules since 1979, when this statutory provision was implemented through the promulgation of the first CUSO regulation. The final rule is both historically and legally consistent with NCUA's statutory authority to regulate this lending and investment authority. Title II of the Federal Credit Union Act provides the NCUA Board with the broad authority to insure members' accounts and administer the NCUSIF and to prescribe regulations for FICUs that are necessary to carry out that purpose. All FICUs, through their application for insurance, have agreed to comply with those regulations. To protect the NCUSIF from any such risk, it is necessary and within NCUA's authority to implement regulations that require credit unions to enter into agreements with CUSOs requiring CUSOs to submit reports directly to NCUA and the appropriate state supervisory authorities, if applicable.

² Complex or high-risk services include credit and lending, information technology, custody, safekeeping, and investment management services for FICUs.

The registration system through which CUSOs will report information directly to NCUA will be available by **December 31, 2015**. Once the CUSO registry is ready to use, NCUA will provide notice that the reporting system is available, as well as training material on how to use the system.

The Freedom of Information Act (FOIA), as well as the applicable exemptions in NCUA's FOIA regulations, applies to any information a CUSO submits to NCUA, including the information required under the final rule. NCUA anticipates that CUSO submissions will contain or consist of trade secrets and privileged or confidential commercial or financial information that is subject to withholding under Exemption 4 of the FOIA.

NCUA will *not* release information reported by a CUSO that is contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of NCUA; this information will remain confidential and non-public under Exemption 8 of the FOIA. For those state supervisory authorities that have signed written information sharing agreements with the agency, NCUA will share information regarding CUSOs in their respective states.