



Long Term Trends Late-Filing

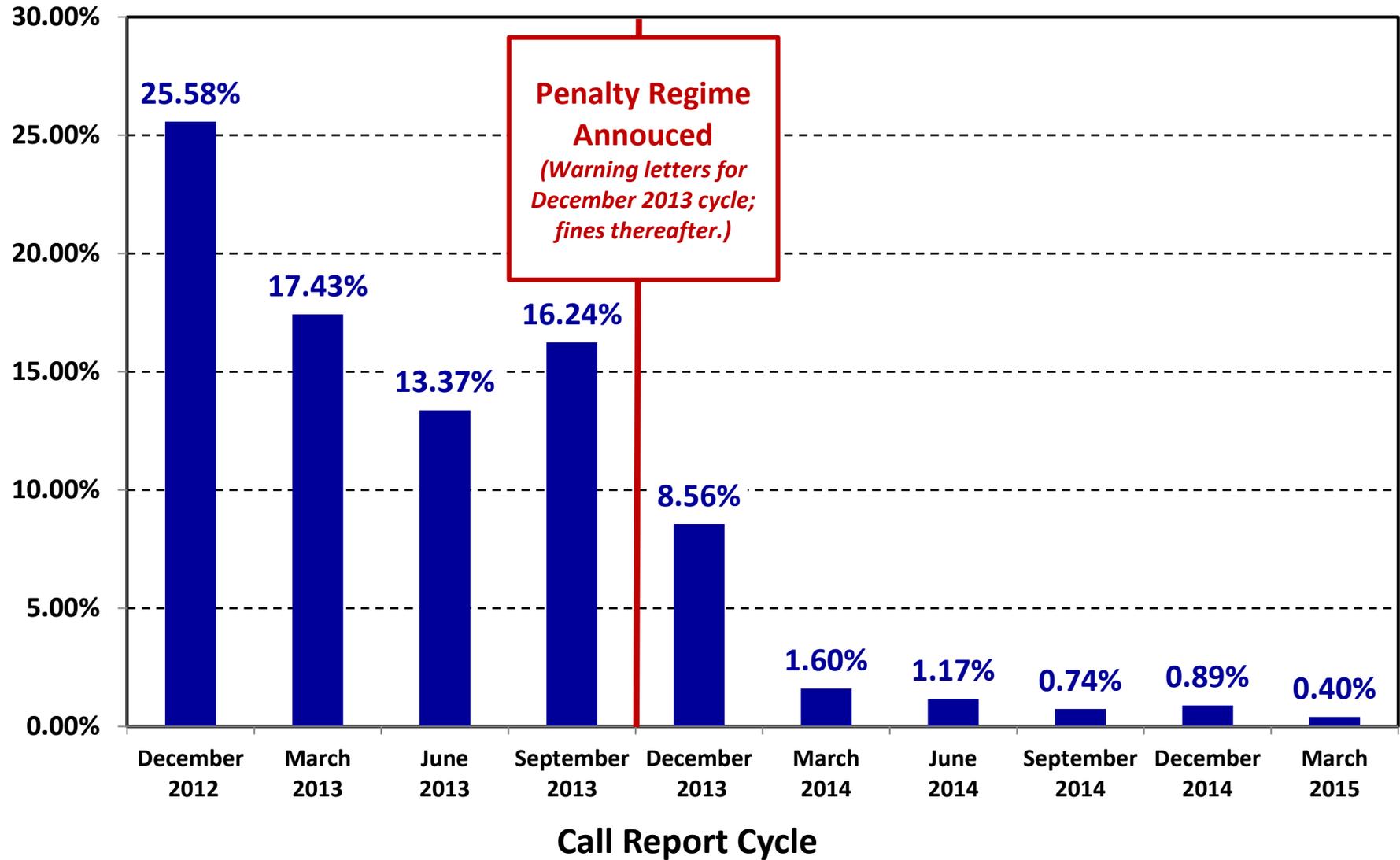
December 2013 – March 2015

**Division of Analytics and Surveillance
Office of Examination and Insurance**

August 14, 2015

LATE-FILING RATE

December 2012 - March 2015



TRENDS IN LATE-FILING RATE

Federally Insured Credit Unions (FICUs)

December 2012 - March 2015

Call-Report Cycle	Late Filers	Total FICUs	Late-Filing Rate
March 2015	25	6,208	0.40%
December 2014	56	6,273	0.89%
September 2014	47	6,350	0.74%
June 2014	75	6,429	1.17%
March 2014	104	6,491	1.60%
December 2013	561	6,554	8.56%
September 2013	1,075	6,620	16.24%
June 2013	893	6,681	13.37%
March 2013	1,177	6,753	17.43%
December 2012	1,744	6,819	25.58%

NOTES:

1. **Bold red font** denotes cycle since NCUA announcement of intention to impose civil money penalties (CMPs). Warning letters were sent to December 2013 late filers. CMPs have been imposed on late filers in subsequent cycles.

2. The "Late Filers" figure from March 2014 onward is the preliminary number sent to the regions/state supervisory authorities (SSAs) for comment. The number actually paying CMPs is lower because cases were dropped based on additional information provided by the regions, SSAs, and late filers.

Total Number of Late Filers

2014		2013	
Cycle	Calendar	Cycle	Calendar
282	787	3,706	4,889
<p><u>NOTE:</u> "Cycle" includes March 2014, June 2014, September 2014, and December 2014; "calendar" includes December 2013, March 2014, June 2014, and September 2014.</p>		<p><u>NOTE:</u> "Cycle" includes March 2013, June 2013, September 2013, and December 2013; "calendar" includes December 2012, March 2013, June 2013, and September 2013.</p>	

Four quarters since CMPs imposed	282
Four quarters before CMPs imposed	3,706

Assessment Amounts per Cycle

December 2013 - March 2015

Call-Report Cycle	Total Number of Late Filers	Number of Assessments	Low Assessment	High Assessment	Median Assessment	Average Assessment
March 2015***	25	15	\$45	\$943	\$195	\$340
December 2014	56	28	\$150	\$6,752	\$188	\$488
September 2014	47	31	\$138	\$1,878	\$176	\$414
June 2014***	75	44	\$52	\$1,824	\$256	\$375
March 2014**	104	84	\$150	\$20,000	\$243	\$931
December 2013*	304	N/A	N/A	N/A	N/A	N/A

Note: Total number of Late Filers is higher than the number of Assessments due to the fact that some CMP's are waived due extenuating circumstance as proved by the credit union to their regional examiner or SSA. Extenuating circumstances are listed as: An "Act of God" such as:

- A natural disaster that impairs operation of the credit union;
- A weather event that impairs operation of the credit union;
- A power failure, internet failure, or failure of the credit union's core-processing system immediately prior to or at the filing deadline;
- The death or physical/emotional incapacitation of a key employee.

Note: An example of physical incapacitation is emergency hospitalization of the CEO/manager just prior to the deadline. An example of emotional incapacitation is the CEO/manager learning about the terminal illness of an immediate family member just prior to the deadline. These explanations are only acceptable only if the credit union is too small to have back-up personnel.

- Turnover of a key position just prior to the deadline.

Note: An example is the unexpected resignation of the CEO/manager of a small credit union just before the filing deadline. This type of explanation is acceptable only if the credit union is too small to have back-up personnel.

- Robbery of a credit union that impairs the credit union's ability to file on time.
- A CU Online filing problem unique to the credit union that is supported by a Help Desk ticket. This ticket must be time/date stamped near, but prior to, the deadline. Note: The Help Desk currently closes at 6 pm on the deadline day; a best practice is completing Call Reports while technical support is available.
- The credit union, SSA, or NCUA accidentally "unsubmits" its Call Report after successfully submitting prior to the deadline.
- A merger with another credit union.
- A liquidation or conservatorship.

*warning letters only - no CMPs

**First quarter fines were assessed

***Low assessments were NCUA net CMP after SSA fines were assessed

Trends in Number of Days Late					
<i>December 2013 - March 2015</i>					
Call-Report Cycle	1 to 3 Days Late	4 to 10 Days Late	Over 10 Days Late	Total	% Over 3 Days Late
March 2015	20	4	1	25	20.0%
December 2014	41	14	1	56	26.8%
September 2014	40	7	0	47	14.9%
June 2014	52	18	5	75	30.7%
March 2014**	49	47	8	104	52.9%
December 2013*	180	112	12	304	40.79%

*warning letters only - no CMPs

**First quarter fines were assessed

Trends in Sizes of Late Filers							
<i>December 2013 - March 2015</i>							
Call-Report Cycle	Under \$10 Million	\$10 to \$50 Million	\$50 to \$250 Million	Over \$250 Million	Total Late Filers	% Under \$10 million	% Under \$50 million
March 2015	16	6	3	0	25	64.0%	88.0%
December 2014	39	12	3	2	56	69.6%	91.1%
September 2014	30	10	7	0	47	63.8%	85.1%
June 2014	47	16	8	4	75	62.7%	84.0%
March 2014**	64	29	11	0	104	61.5%	89.4%
December 2013*	192	76	30	6	304	63.16%	88.16%

*warning letters only - no CMPs

**First quarter fines were assessed

Trends in Charter-Type of Late Filers <i>December 2013 - March 2015</i>					
Call-Report Cycle	Federal	%	State	%	Total Late Filers
March 2015	17	68.0%	8	32.0%	25
December 2014	42	75.0%	14	25.0%	56
September 2014	40	85.1%	7	14.9%	47
June 2014	55	73.3%	20	26.7%	75
March 2014**	75	72.1%	29	27.9%	104
December 2013*	226	74.34%	78	25.66%	304

*warning letters only - no CMPs

**First quarter fines were assessed

Trends in Late-Filer CAMEL Ratings
December 2013 - March 2015

Call-Report Cycle	Total Late Filers	Late Filers w/ CAMEL 3, 4 or 5	%
March 2015	25	16	64.0%
December 2014	56	33	58.9%
September 2014	47	29	61.7%
June 2014	75	32	42.7%
March 2014**	104	51	49.0%
December 2013*	304	168	55.3%

*warning letters only - no CMPs

**First quarter fines were assessed

NCUA Matrix for Civil Money Penalties (CMPs) - 2015:Q1 Call Report Cycle

All Asset Sizes	Days	Days	Days
	1 - 3	4 - 10	> 10
Late Filers	\$150 + 0.0005% of Assets Per Day	\$150 + 0.001% of Assets Per Day	\$150 + 0.002% of Assets Per Day
If Late or Waived in the last 4 Quarters	Double Penalty Determined in Above Row (2x if late prior cycle, 1.5x if late other cycle)		
<p>NOTES:</p> <p>1. Ceiling is \$20,000 per day. CMPs above \$2,000 per day are appropriate if failure to file on time is not "inadvertent." The burden to prove "inadvertence" is on the credit union. The final CMP assessment amount will be dependent upon a range of statutory factors, such as good faith by the credit union or other matters as justice may require.</p> <p>2. CMP indicated in cell applies to all late days. For example, the fine for 7 days late (if not also late previous quarter) is \$150 + (0.001% of assets) x 7 days.</p> <p>3. State fines for late filing will be netted out of NCUA fines.</p> <p>4. CMPs will be doubled in penalty letter, with a discount to amount indicated in this matrix if a consent order is signed in 30 days. Minimum penalty should consent order not be signed is \$1,000.</p>			

Civil Money Penalty Calculator

FICU Asset Size					
\$25,000,000	Days Late (1)	LOWER AMOUNT Consent, No History of Lateness (Determined by CMP Matrix) (2)	LOWER AMOUNT Consent, Repeat Offender (Twice Amount in Column 2) (3)	HIGHER AMOUNT No Consent, No History of Lateness (Larger of Twice Amount in Column 2 or \$1,000) (4)	HIGHER AMOUNT No Consent, Repeat Offender (Larger of Twice Amount in Column 3 or \$1,000) (5)
First Tier 0.0005% of Assets	1	\$ 275	\$ 550	\$ 1,000	\$ 1,100
	2	\$ 400	\$ 800	\$ 1,000	\$ 1,600
	3	\$ 525	\$ 1,050	\$ 1,050	\$ 2,100
	4	\$ 650	\$ 1,300	\$ 1,300	\$ 2,600
Second Tier 0.0010% of Assets	5	\$ 1,400	\$ 2,800	\$ 2,800	\$ 5,600
	6	\$ 1,650	\$ 3,300	\$ 3,300	\$ 6,600
	7	\$ 1,900	\$ 3,800	\$ 3,800	\$ 7,600
	8	\$ 2,150	\$ 4,300	\$ 4,300	\$ 8,600
	9	\$ 2,400	\$ 4,800	\$ 4,800	\$ 9,600
	10	\$ 2,650	\$ 5,300	\$ 5,300	\$ 10,600
Third Tier 0.0020% of Assets	11	\$ 5,650	\$ 11,300	\$ 11,300	\$ 22,600
	12	\$ 6,150	\$ 12,300	\$ 12,300	\$ 24,600
	13	\$ 6,650	\$ 13,300	\$ 13,300	\$ 26,600

NOTES

- The preliminary civil money penalty (CMP) assessed (i.e., figure in the letter sent to the late filer) depends on the size of the credit union and the number of days the Call Report is late - as specified in the penalty matrix. [The final assessment could be less if the SSA, region, or credit union furnishes information indicating extenuating circumstances.] This table shows how the 2015:Q1 penalty matrix for late filing would be applied to a credit union with \$25 million in assets - the median size of federally insured credit unions.
- "Tiers" - with higher CMPs for missing the deadline by more days - are designed to provide late filers with an incentive to get their Call Reports in as soon as possible.
- The assessment letter for a late filer includes two figures - a "lower amount" determined by the penalty matrix if the credit union consents to the fine (columns 2 and 3) and a "higher amount" if NCUA must litigate (columns 4 and 5). The "higher amount" is the greater of \$1,000 and twice the "lower amount." This minimum fine with litigation (\$1,000) and the policy of higher/lower fines depending on the need for litigation were recommended by OGC based on their experience with CMPs.
- If a credit union is a repeat offender, the lower CMP amount determined by the penalty matrix (column 2) is doubled.
- So, for example, the CMP matrix indicates a \$25 million credit union 11 days late filing its Call Report should pay a fine of \$5,650 - provided there is no history of lateness, and a consent order is signed. If the credit union has a history of lateness, it would face a fine of \$11,300 with a consent order. If the credit union had a history of lateness and refuses to sign a consent order, it would face a fine of \$22,600.
- To date, every late filer facing an assessment has signed a consent order and paid the lower amount.