

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** September 15, 2017

**FROM:** Business Innovation Director Kelly Lay

**SUBJ:** Electronic Loan, Deposit,  
and Investment Data Collection

**ACTION REQUESTED:** Board approval to publish in the *Federal Register* a Request for Information (RFI) on standardizing the loan, deposit, and investment information collected electronically during examinations.

**DATE ACTION REQUESTED:** October 19, 2017.

**OTHER OFFICES CONSULTED:** Office of Examination and Insurance.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** No.

**RESPONSIBLE STAFF MEMBERS:** Kelly Lay, Business Innovation Director, Office of the Executive Director; Amber Gravius, Special Assistant for Business Innovation, Office of the Executive Director

**SUMMARY:** The Business Innovation Office is seeking the views of interested stakeholders on the interrelated considerations and challenges that could arise if NCUA adopts a new standardized data format for loan, deposit, and investment data. The overarching goal of our comprehensive review is to modernize, formalize, and standardize data formats collected during examinations from the core data processing and offline systems<sup>1</sup> used by credit unions.

As part of the Enterprise Solution Modernization Program, collecting a broader dataset will provide benefits to both the NCUA and credit unions, including a more consistent examination process, a more efficient use of examiner time, reduced burden on credit unions, reduced onsite time, improved data reliability and quality, and enhanced analytics.

Examiners obtain electronic data at the beginning of every examination, during some supervision contacts, and on an ad hoc basis from credit unions. This raw data, sometimes from multiple sources and in multiple data files, provides examiners with essential information in evaluating credit and deposit risks in credit unions. The data is integral to risk supervision which is central to safeguarding the integrity of the National Credit Union Share Insurance Fund.

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<sup>1</sup> Offline systems is defined as other IT systems not connected or linked to the core data processing system or third party vendors with loan, deposit, and investment data. These may include, but are not limited to, credit cards, mortgage loans, student loans, participation programs and indirect loans.

To do an effective job, examiners currently request from credit unions a lot of the information in the expanded dataset we are proposing. As a result, credit unions are spending time developing custom datasets and examiners are spending time developing custom review processes. The proposed data fields were compiled from a comparison to FFIEC and with input from State Supervisory Authorities and NCUA examiners and offices. Under the proposed data format provided for discussion purposes in the RFI, NCUA would increase the electronic data collection to nine member profile, 120 loan, 20 share, and 12 investment fields.

The new standardized data collection will achieve greater efficiency for both credit unions and examiners. The expectation is the full set of standard data will reduce a credit union's time preparing for an examination, as well as allow examiners to focus more on analyzing the data instead of creating customized data review tools and information requests from credit unions. There will always be some need for customization depending on the credit union's portfolio, but this approach will materially reduce the need.

The attached request for information explains the NCUA's objectives and seeks insights from stakeholders in identifying the interrelated considerations and challenges that could arise if the NCUA adopts an expanded, standardized data format for member loan, deposit and investment data.

**RECOMMENDED ACTION:** Recommend the Board approve publication of the attached Request for Information, with comments due 60 days from the date of publication in the Federal Register.

**ATTACHMENT:** Request for Information and Supplemental Information