

April 2, 2018

Mary Thor  
National Credit Union Administration  
Office of Examination and Insurance  
1775 Duke St.  
Alexandria, VA 22314

**CU\*Answers, Inc. Comments on Call Report Modernization**

BY EMAIL ONLY (CallReportMod@ncua.gov)

Dear Mary Thor,

On behalf of the member credit unions of CU\*Answers, Inc. and our partners CU\*NorthWest, Inc. and CU\*South, Inc. this letter contains information in response to the NCUA's request for comments on the Call Report Modernization. CU\*Answers, Inc. and its partners provide services to 255 credit unions representing over 2.4 million members and \$23 billion in credit union assets.

**Credit Union Perspective**

The general consensus is that the proposed 5300 Call Report changes will reduce the reporting burden, however there will still be areas difficult to complete. The lending sections can be especially complicated due to the variety of loan offerings and the existence of off-trial-balance (OTB) loans.

The new page numbering schema is confusing. Credit unions are used to referring to sections of the Call Report by the page number, therefore adjusting to the new schema will take time.

Due to the extended degree of proposed Call Report changes, *a minimum of 7 weeks to complete the first Call Report after changes are implemented* is necessary. Also, the proposed timing of March 31, 2019, is already a busy time of year coming right after year-end and at tax time.

A 550 million asset size credit union commented that the breakdown of Foreclosed and Repossessed Assets on page FC-2 should separate real estate commercial loans from other commercial loans.

A smaller credit union suggested that the Maturity Distribution (FC-C) section for Investments should remain on the first page of the Call Report (FC-1) and the remainder of the Investments information (FC-A, FC-B, FC-C, FC-D) should be closer to the end of the Call Report. This would improve the flow of the Call Report especially for credit unions that have little (if any) Investments information to report.

Since the proposed Investments sections are more complicated, credit unions may need to revisit the best way to gather this information for the Call Report. Matching the subtotals (account codes 965, 797E and 796E) in three different places on the Call Report (FC-1, FC-A/B, FC-C) may present challenges.

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## **Vendor Perspective**

We provide a software tool for our credit unions where Call Report information is auto-populated from our system (CU\*BASE), verified, then directly uploaded to the NCUA. In order to make all the necessary updates to our tool, we request a minimum of *6 months from the time that the NCUA changes are finalized to the implementation*. Therefore, the new Call Report Form along with the list of new/deleted/replaced Account Codes and the subtotal calculations would be available by October 1, 2018 (assuming a March 2019 implementation date).

To complete our software testing, the following NCUA features should be available (in the past this has been via the [ncua.gov](http://ncua.gov) website) *at least 3 months prior to implementation*:

- Call Report Import Test File Utility
- Call Report Edits – Errors and Warnings
- FPR Call Report Ratio calculation changes

Thank you for the opportunity to provide comments on the proposed 5300 Call Report changes.

Regards,

Karen Sorensen

*5300 Call Report Project Coordinator*