

August 15, 2016

Mark Vaughan
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

**Re: NCUA Call Report and Profile, Request for Comment
OMB Number 3133-0004**

Dear Mr. Vaughan:

The Heartland Credit Union Association (HCUA) represents nearly 1.5 million credit union members in Kansas and Missouri, and we welcome the opportunity to comment on their behalf regarding the Request for Comment on the National Credit Union Administration's (NCUA) Form 5300, Call Report and NCUA Form 4501A, Credit Union Profile.

Together with our member credit unions, we appreciate that NCUA has undertaken this process as part of its larger effort to modernize outdated systems including the Call Report, the AIRES System, CUOnline, and other systems. Reaching out to the credit union community is vitally important when addressing these issues of concern, especially when attempting to reduce the regulatory burden credit unions in Kansas and Missouri face together with other credit unions nationwide.

NCUA has asked for input on the manner and burden of data collection, as well as the quality and utility of the data. Data processing systems clearly reduce the efforts required by credit union staff; however, they do not eliminate the need for extensive manual intervention. Small credit unions have a larger burden given their limited resources, and there are a significant number of smaller credit unions represented in our membership in Kansas and Missouri.

HCUA sees room for improvement in call reports as well as in the reporting process. We believe that a small number of credit unions often hesitate to reach out to regulator staff for assistance. To address this issue, it would be helpful for NCUA to improve their customer service/relations by being more accessible and providing consistent, timely responses. Some credit unions have expressed an interest in seeing the call reporting requirements changed to better reflect credit union size and complexity. And, a fair number of well-capitalized credit unions would like to file abbreviated quarterly reports and to file reports less frequently.

Suggestions to Improve the Call Report and Profile

1. Revise the forms to make them intuitive and easy to utilize;
2. Only collect data that is accurate, relevant, and useable;
3. Collect data that more accurately reflects safety and soundness concerns;
4. Remove data that has little or no supervisory value or value to the industry for peer-to-peer comparison;
5. Remove data where the effort of collection outweighs the supervisory value;
6. The collection of new or additional data through the call reports is acceptable only if it results in an overall reduction in regulatory burden or an improved/more efficient exam;

7. Improve the clarity and descriptive quality of the instructions to the Call Report and Profile documents. Often instructions provide limited or vague guidance resulting in the variation of interpretation across the industry limiting the supervisory value of the responses; and
8. Credit unions with less than \$50 million in assets represent an exceedingly small exposure to the insurance fund. Call reporting imposes substantial and unnecessary reporting burdens on these institutions. HCUA proposes that NCUA eliminate odd-quarter reporting for any credit union below the \$50 million asset size threshold.

Concentrated Improvements

1. Make information from all schedules and detail pages feed the Balance Sheet and Income Statement so that it does not have to be entered multiple times, independently reconciled, and validated;
2. There should be a tolerance built into the system to avoid rounding issues that might affect reconciliation (\$5.00 is the suggested amount, but may need to be modified for other fields);
3. On the Call Report Form where the identifier for a particular field utilizes the "Code," use Page & Line Numbers + the Code to ease identification of a field;
4. The form should have the capability to highlight related/similar fields that are affected at the same time;
5. Data fields that are used in multiple locations should populate in multiple locations upon the first entry into a field;
6. Provide the capability to only select those schedules that are necessary for the particular credit union. (i.e. if the credit union does not engage in derivatives, do not require the completion of the form, or allow the program to suppress the schedule);
7. Automatically generated warnings should be scaled to the asset size/complexity of a credit union. Further, warning thresholds should be adjusted regularly to account for current economic factors; and
8. Call reports should be due at the end of the month similar to other banking regulatory agencies.

HCUA supports the general direction expressed publicly regarding the Call Report and Profile, in that these projects will ultimately reduce the overall regulatory burden to credit unions through the use of enhanced technology, while also obtaining efficiencies and improving the quality of oversight by the agency. We appreciate the opportunity to share our proposed improvements as an important part of NCUA's review of the overall examination and supervision process.

On behalf of our Missouri and Kansas credit unions, HCUA appreciates the opportunity to review this issue. We would be happy to respond to any questions regarding these comments.

Sincerely,



Brad Douglas
President/CEO