



New England Federal Credit Union

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

March 5, 2018

Dear Ms. Thor:

This letter is in response to the National Credit Union Administration's (NCUA) request for comments regarding the proposed changes to the Call Report form 5300 and the Profile form 4501A. New England Federal Credit Union appreciates the opportunity to comment on the proposed reports.

- **Are relocated account codes grouped logically? If not, please propose a location you feel is more logically suited.**

Although the accounts appear to be grouped logically, we find the pages are labelled and paginated in a way that is not intuitive or user friendly. We recommend renaming and numbering the pages (and in the accounts on them) in a way that dovetails with operating language of a credit union. For example, Schedule FC-B could be simply named Investment Schedule.

- **Should any of the schedules be expanded to assist in analysis based on new rules or accounting changes? If so, please provide details of data the NCUA should also collect.**
With credit unions relying more and more on non-interest income we believe there is value in providing more detail than is currently proposed on the Income Statement for Fee Income and Other Operating Income. For example, there is no way to determine the amount of income attributable to loan servicing, loan sales, deposit fees or card interchange.

- **Are the instructions adequate in both content and design? If not, please cite specific sections that require improvement or correction.**

In some instances, the instructions merely repeat the line item. For example, the instructions on Schedule FC-L for line 2E, Amount of real estate sold year to date state "Report the amount of real estate loans sold year to date". We believe the instructions should go further in detailing what information is required. For example, should this line include participations or not, business/commercial loans secured by real estate, etc.

- **How much lead time do credit unions need to work with vendors to make changes to their systems in order to support changes to the Call Report?**

We believe that 1 year will be needed to work with our core processor to implement the changes that are proposed on the 5300 Call report. This time will be spent developing the

necessary database queries and reviewing the detail level information contained within our databases to ensure it is sufficient to be able to properly report as outlined on the proposed Call Report form 5300 and the Profile form 4501A. For example, our current delinquency reports are set up to report by type of loan, not by collateral type. Further, as an organization, we do not scrutinize our loans by collateral type as much as we review them by product type.

- **From your perspective, do you think this is a reduction in your reporting burden? Please explain.**

While we appreciate NCUA's initiative to modernize Call Report content we do not believe eliminating accounts and reformatting the report will significantly reduce our reporting burden.

To have a material impact on the reporting burden, this initiative would need to significantly simplify reporting for business and commercial loans. Our current origination, servicing and accounting systems were not created to distinguish commercial, business and consumer loans. Reporting them as outlined on the current and proposed 5300 reports takes a significant amount of resources we feel would be better allocated to serving our members. In addition, our loan systems are aligned by product types and not the collateral that secures them. We find it burdensome to report based on collateral rather than on the product types that our systems were designed to originate and service. We believe the degree of granularity that the proposed Call Report form 5300 and the Profile form 4501A continue to require is not consistent with the level of information needed to monitor the safety and soundness of the credit union industry. We also believe that the changes will not significantly reduce our regulatory burden as it relates to these reports.

- **Are there any other operational issues the NCUA should be aware of prior to implementing the proposed changes?**

From an operational standpoint NCUA should be aware the proposed changes are significant and therefore will require significant resources to implement. In our opinion, we would prefer to maintain the current reporting format and content versus the proposed reports. We believe it will take a significant effort to be able to comply with the new reporting standards that in the end will not reduce the regulatory burden the changes seek to address.

Thank you for the opportunity to comment on the proposed Call Report form 5300 and the Profile form 4501A.

Sincerely,



Michael Gretkowski
Controller