

December 29, 2017

National Credit Union Administration
Amber Gravius, Special Ast., Business Innovation
1775 Duke Street
Office of the Executive Director
Alexandria, VA 22314

RE: Comments on Electronic Data Collection Modernization

Dear Ms. Amber Gravius,

Patelco Credit Union appreciates the opportunity to provide information regarding electronic data collection and standardization in response to the NCUA's Request For Information. Patelco is based in Northern California, has over 300,000 members, and nearly \$6 billion in assets.

Patelco agrees with all the points raised in CUNA's December 21, 2017 response letter. The expanded, uniform electronic submissions approach proposed in the RFI is not practical given the number of vendors and the limited resources at credit unions. As a large credit union that has undertaken major system upgrades, we can attest to the difficulty, cost and length of time it takes to modernize and standardize data handling. The example CUNA gave of the TRID conversion is useful to show how much work it takes to make a large change, but even smaller changes, like the HMDA expansion, have proven to be very costly.

The stated purpose of the proposed standardization is to reduce in-field examination time. We applaud this intent. We submit that you would do better with a different approach.

The model that comes to mind is filing income taxes. The IRS establishes all the questions it needs to validate a total due, and the filer can use whatever systems they have to generate the numbers. If the IRS doesn't like what it sees, they can come examine the filer's methodology. Why not take this same approach to standardizing safety and soundness assessments? Ask for key relevant indicator figures, like delinquency rates and capital ratios, including questionnaires on process compliance. If year over year a credit union passes and keeps its indicators healthy, then reduce your examiner's field time by examining stable credit unions less often.

The NCUA does this on a limited basis now. This method works. We suggest you expand this workable system instead of suggesting everyone

in an industry change their data handling methods to be able to provide a new long list of specific questions.

Your examiners are trained to spot problem areas. They ask broad questions first then dive deeper if they find issues. Asking everyone all the possible questions every time is an entirely different approach, not just a standardization of process. There is a reason your examiners don't ask every question of every institution – it isn't necessary.

Thank you for the opportunity to comment on this proposed rule. If you have questions concerning this letter, please feel free to contact me at 925-598-3810.

Sincerely,

Jay Hartlove
Compliance Manager
Patelco CU

cc: CCUL