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CSBS ACCREDITED 1993  
NASCUS ACCREDITED 2000  
CSBS/AARMR MORTGAGE ACCREDITED 2015

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National Credit Union Administration  
Attn: Amber Gravius  
1775 Duke Street  
Alexandria, VA 22314

Dear Ms. Gravius:

Thank you for this opportunity to comment on your Loan, Deposit, and Investment Data collection efforts. Data analysis is an important element of what we do as regulators, and the more consistent we can make its collection, the more accurate the data will become. The more accurate the data is, the better we as regulators and the industry itself will be at identifying risk. For this reason, this is a profoundly important topic.

You inquired on the appropriate data format and data fields to include in your loan, share, and investment download. We believe that the only rational approach to this is to first start with the standard FFIEC loan download format. Additional data could also be requested with supplemental information including supplementary loan information, deposit information, and investment information; however, these should be in separate and distinct file downloads. A separate loan download in the FFIEC format is critical if the download is to be cost effective, achieve universal adoption by the industry, and functional for regulators, vendors, and the industry itself.

Most regulators of financial institutions adopted the standard FFIEC loan download many years ago. This standardized format allowed data processors to develop one universal platform for all of their bank customers regardless of regulator. This ensures better data integrity as multiple formats were not being employed. This reduced the cost to the industry as vendors were not creating multiple formats. This standard FFIEC loan download is an example of the cost savings possible to the industry when governmental agencies work collaboratively.

There are also substantial advantages to the standard FFIEC loan download as it relates to the usefulness of the data. With a standard format, regulators have been able to develop and utilize standard examination tools such as the old ALERT software, and the current ETS software. While all regulators have differing levels of use and policies on the use of these standardized tools, the fact that they share base level examination platforms creates tremendous efficiencies in terms of software development costs, maintenance costs, and training costs. This also ensures that regulators can work with one another with ease during joint examinations. Here again, this is an example of the great cost savings possible when governmental agencies work collaboratively.

The industry has also benefited as an end user of this data in a standardized format. Third party vendors have developed analytical software used by the industry. Since the data is already available in a standard format, better data integrity and cost savings is possible.

If the starting point for NCUA's data collections is the standard FFIEC loan download, conversion costs to the industry should be low. Most vendors already have parallel software platforms and reports for their bank customers and their credit union customers. A conversion to an already established platform should be the lowest cost option. The same holds true for users of the data, both third party vendors providing

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data analytics and for the regulators. Using a standard format with tools already accepting of that format allows for more efficient use of already existing resources.

It is recognized that not all credit unions' data processing systems have the capacity to capture all 85 data fields in the standard FFIEC loan download. This has not been a problem for most users of this data. If the data is not captured by the specific institution's data processor, the field simply populates without data in the download. For this reason, identifying fields as critical or optional is not necessary. What is available will populate.

It is also recognized that not all the loan data desired by the regulators or available through the data processing system will be captured in the standard FFIEC loan download. For this supplemental level of data, a supplemental loan download file should be developed and available as a separate download file. Credit Unions may or may not make available this supplemental loan download depending upon cost and data availability; however, most should be able to provide the most critical data with relative ease and minimal cost via the standard FFIEC loan download. This ensures that data is available for use with standard tools and formats, and supplemental data can also be analyzed when available.

Currently, NCUA does not participate in these collaborative efforts to standardize data formats and examination tools. This increases the costs to the industry as separate redundant tools need to be developed to achieve the same end result. This also creates substantial hurdles in the working relationship between NCUA and the State Regulators. Many State Regulators find themselves having to train examiners on two separate but duplicative examination platforms to examine credit unions or banks. It is becoming increasingly difficult to maintain these duplicative functions, and may at some point jeopardize State Regulators' ability to conduct examinations jointly with NCUA. Continuing a duplicative and separate system may also jeopardize NCUA's ability to meet its obligations to rely upon the work of the state regulatory agencies "to the maximum extent feasible" as outlined in the Federal Credit Union Act.

In conclusion, the Department **strongly** urges NCUA to adopt the standard FFIEC download format for loans. Other formats and downloads may also be employed for deposits, investments, or supplemental loan information; however, the standard FFIEC loan download is critical. Its use will reduce costs, improve data integrity, improve industry acceptance and adoption, and ensure a continued strong working relationship between State Regulators and the NCUA.

Thank you again for the opportunity to comment on this profoundly important topic.



Robert J. Entringer

cc: NASCUS

RJE/cjk