



August 30, 2013

National Credit Union Administration
Mary Rupp, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments on Proposed Rulemaking for Parts 741 and 748; Filing Financial and Other Reports

VIA ELECTRONIC MAIL: www.regulations.gov

Dear Ms. Rupp,

The Michigan Credit Union League (MCUL), the statewide trade association representing 98% of the credit unions located in Michigan and their 4.55 million members, appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) proposal to amend its regulations to require that federally-insured credit unions electronically file all financial, statistical, and other reports, and update credit union profiles using NCUA's information management system or other electronic means specified by the NCUA.

The MCUL is generally supportive of the concept inherent in NCUA's proposal, as it will lead to increased efficiencies, enhance the accuracy and availability of data, and provide a secure access portal to submit, edit and view NCUA collected data. However, this proposed rule will have an impact on some small credit unions, many of whom are already struggling with tightened margins and minimal, if any net income. Further, it is unlikely that the small number of credit unions nationally that still file manually presents any significant burden on agency resources. Therefore, if the agency deems that any rule is necessary, we encourage the NCUA to provide sufficient implementation time, to allow these credit unions to identify possible grant opportunities or funding through the NCUA, or their respective Leagues, to purchase or upgrade any necessary equipment in order to comply with an electronic filing mandate. Further, the MCUL urges the NCUA to work with Leagues to help identify those credit unions still filing manually, and work in partnership to move them toward electronic practice within a reasonable timeframe.

In Michigan, the credit union community does make resources available to small credit unions to assist with technology needs. The Michigan Credit Union Foundation (MCUF) provides certain forms of support for Michigan credit unions that are \$50 million or less in assets, through operational grants. These operational grants are for technology- and operations-related expenses and upgrades that will measurably assist the credit union in serving its members. However, MCUF operational grant funds are limited, with a cap of \$2,000 per credit union. The available funds for 2013 have already been utilized, assisting seven credit unions. Grant funds will not be replenished until January 2014 and are dependent on donations from participating credit unions.

Further, some truly small credit unions have partnered with larger, regional credit unions, for compliance assistance and technological resources.

In 2012, the NCUA made a programmatic effort to identify small credit unions that still filed quarterly call reports manually, and donated laptop computers to them to help eliminate the paper filing of reports, while also providing training for those credit unions. The MCUL strongly encourages the NCUA to provide information to credit unions and Leagues about similar programs and grant opportunities. Leagues are in an ideal position to disseminate information and assist credit unions with grant applications and opportunities. Additionally, the MCUL urges the NCUA to provide notice to credit unions that may be eligible to receive assistance or donations via physical mailings or direct phone contact in addition to electronic methods. The MCUL believes communication will be instrumental in ensuring compliance and helping credit unions to become knowledgeable about assistance programs and take full advantage of available resources. The MCUL also recommends that the NCUA continue providing resources such as training and webinars to ease the transition for credit unions that will be required to file electronically.

Conclusion

The MCUL is generally supportive of the concept behind NCUA's proposal to require electronic updates to credit union profiles and the filing of required reports under Parts 741 and 748. The MCUL believes this requirement will provide some efficiencies and necessary cost savings, and acknowledges the eventual trends of technology. Because this proposed rule will directly impact some small asset size credit unions, the MCUL encourages the NCUA to expand their initiatives to provide free or low cost laptops in a generous manner. The MCUL also urges the NCUA to enhance their communications as well as their communication methods, to include mailings and phone calls, so as to ensure that credit unions are aware of assistance programs and opportunities. The MCUL strongly urges the NCUA to partner with and work through Leagues to identify small institutions that need assistance with technology acquisitions or upgrades, and to allow for a sufficient amount of implementation time to allow small credit unions to secure necessary funding and training.

Sincerely,



Dave Adams
Chief Executive Officer