



Call Report Instruction Changes

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
1	Cash	3	730C	Report investments that meet the definition of cash equivalents. <del>Report any investment that is a Security (as defined by GAAP) in Items 4 through 10. Do not report any investment that is a security in Account 730C.</del>	Report investments that meet the definition of cash equivalents. <b>Cash equivalents are short-term, highly liquid investments that are readily convertible into cash and are so near to maturity they present insignificant risk of change in value. Examples of items commonly considered to be cash equivalents are Treasury bills, commercial paper, money market funds, and federal funds sold.</b>	To clarify what is to be reported in this area.	Dec-19

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2	Other Assets	24	008	Report all other fixed assets, such as furniture and fixtures and leasehold improvements, less related depreciation. In addition, include leased <i>assets under capital lease</i> (credit union is lessee), less accumulated depreciation. In this situation, your credit union is leasing assets and <del>granted</del> a lease from an outside entity. If you have adopted ASC Topic 842, include right-of-use assets, (credit union is lessee), less accumulated amortization. In this situation, your credit union is leasing assets and has signed a lease contract with an outside entity.	Report all other fixed assets, such as furniture and fixtures and leasehold improvements, less related depreciation. In addition, include leased <i>assets under capital lease</i> <b>in accordance with ASC Topic 840</b> (credit union is lessee), less accumulated depreciation. In this situation, your credit union is leasing assets and <b>has</b> a lease from an outside entity. If you have adopted ASC Topic 842, include right-of-use assets, <b>this includes both operating and financing leases</b> (credit union is lessee), less accumulated amortization. In this situation, your credit union is leasing assets and has signed a lease contract with an outside entity.	To provide guidance for credit unions that have early adopted ASC Topic 842. ASC Topic 842 is effective for credit unions for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, early application of ASC Topic 842 is permitted.	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
3	Liabilities	9	825	Report the amount of accounts payable and other liabilities including, but not limited to, taxes payable, undistributed payroll deductions, draft clearings, and unposted suspense items. Also, report lease liabilities if your credit union has adopted ASC Topic 842.	Report the amount of accounts payable and other liabilities including, but not limited to, taxes payable, undistributed payroll deductions, draft clearings, and unposted suspense items. Also, report lease liabilities (lease liability equals the present value of unpaid lease payments) if your credit union has adopted ASC Topic 842.	To provide guidance for credit unions that have early adopted ASC Topic 842. ASC Topic 842 is effective for credit unions for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, early application of ASC Topic 842 is permitted.	Dec-19
5	Interest Expense Year-to-Date	8	340	Interest cost for borrowed money from all sources including certificates of indebtedness. Low-income designated credit unions should include interest costs associated with secondary capital accounts.	Interest cost for borrowed money from all sources including certificates of indebtedness. If your credit union has adopted ASC Topic 842, report the interest paid (using the effective interest method) on finance lease payments. Low-income designated credit unions should include interest costs associated with secondary capital accounts.	To provide guidance for credit unions that have early adopted ASC Topic 842. ASC Topic 842 is effective for credit unions for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, early application of ASC Topic 842 is permitted.	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
5	Non-Interest Income Year-to-Date	13	131	Report the <del>gross</del> amount of fee income from services (overdraft fees, ATM fees, credit card fees, wire fees, account research fees, late fees, statement production fees, dormant account fees, transaction service fees, safekeeping fees, etc.). Do not reduce the amount of fee income by the expense amount associated with providing the service. Associated expenses should be reported in the appropriate expense section.	Report the amount of fee income from services <b>net of foreign ATM transaction fees refunded to members.</b> (Fee income from services <b>includes</b> overdraft fees, ATM fees, credit card fees, wire fees, account research fees, late fees, statement production fees, dormant account fees, transaction service fees, safekeeping fees, etc.) Do not reduce the amount of fee income by the expense amount associated with providing the service. Associated expenses should be reported in the appropriate expense section.	To clarify the reporting related to a specific provision of ASC Topic 606.	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
5	Non-Interest Expense Year-to-Date	25	260	Report expenses related to the operation of an office including communications, stationery and supplies, liability insurance, bond insurance, furniture and equipment rental and/or maintenance and depreciation, bank charges, in-house electronic data processing (EDP) cost, etc.	Report expenses related to the operation of an office including communications, stationery and supplies, liability insurance, bond insurance, furniture and equipment rental and/or maintenance and depreciation, bank charges, in-house electronic data processing (EDP) cost, etc. <a href="#">Also include the amortization expense for lease payments if your credit union has adopted ASC Topic 842.</a>	To provide guidance for credit unions that have early adopted ASC Topic 842. ASC Topic 842 is effective for credit unions for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, early application of ASC Topic 842 is permitted.	Dec-19

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6	Loans and Leases	7	565, 954, and 002	<p>Include the rate, number, and dollar amount of outstanding direct financing leases as defined by GAAP (credit union is lessor). Credit unions that lease personal property such as vehicles to members make direct financing leases.</p> <p><del>These instructions do not differentiate between direct or indirect leases in the language NCUA commonly uses. The term “direct” in the case of this instruction is actually referring to the definition of “direct lease” under GAAP. The definition of “direct” in this meaning is “where the cost and fair value are the same”. The differentiation is between lease types known as sales, leveraged, and direct. Therefore, as the line item does not differentiate between direct and indirect in the meaning commonly used among credit unions, this line item should be treated the same as all other items on this page which do not differentiate the channel by which they were obtained. Like new or used auto loan lines, the indirect and direct loans are included. Types of leases other than direct lease are rare in credit unions.</del></p>	<p>Include the rate, number, and dollar amount of outstanding direct financing leases as defined by GAAP (credit union is lessor). Credit unions that lease personal property such as vehicles to members make direct financing leases. Types of leases other than direct lease are rare in credit unions.</p> <p>An indirect lease where the credit union is not the lessor is considered a leveraged lease and should be reported in the appropriate loan category.</p>	To clarify what is to be reported in this area.	Dec-19
11	Credit and Borrowing Arrangements	9		<p>A line of credit is defined as a secured or unsecured line of credit with a corporate credit union, bank, Federal Home Loan Bank (FHLB), <del>Federal Reserve Bank (FRB)</del>, or another borrowing source.</p>	<p>A line of credit is defined as a secured or unsecured line of credit with a corporate credit union, bank, Federal Home Loan Bank (FHLB), or another borrowing source.</p>	The inclusion of the FRB in the definition of lines of credit was in error. The FRB does not issue lines of credit.	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
12	PCA Net Worth Calculation Worksheet			<p>A credit union is not required to provide input on this page unless it:</p> <ul style="list-style-type: none"> <li>• has completed a merger/acquisition after 12/31/2008,</li> <li>• is using an optional total assets election to calculate the net worth ratio,</li> <li>• made a one-time adjustment to undivided earnings due to the adoption ASC Topic 326: Financial Instruments – Credit Losses (CECL), or</li> <li>• has elected to calculate an alternative risk-based net worth ratio.</li> </ul>	<p>A credit union is not required to provide input on this page unless it:</p> <ul style="list-style-type: none"> <li>• has completed a merger/acquisition <b>with another credit union</b> after 12/31/2008,</li> <li>• is using an optional total assets election to calculate the net worth ratio,</li> <li>• made a one-time adjustment to undivided earnings due to the adoption ASC Topic 326: Financial Instruments – Credit Losses (CECL), or</li> <li>• has elected to calculate an alternative risk-based net worth ratio.</li> </ul>	To clarify what is to be reported in this area.	Dec-19
12	PCA Net Worth Calculation Worksheet			<b><i>Credit unions completing a business combination on or after January 1, 2009 must complete item 7.</i></b>	<b><i>Credit unions completing a business combination <b>with another credit union</b> on or after January 1, 2009 must complete item 7.</i></b>	To clarify what is to be reported in this area.	Dec-19



Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
12	PCA Net Worth Calculation Worksheet	7a	1004A	List the applicable total for the prior quarter-end adjusted retained earnings acquired through business combinations. <b>This amount should equal the amount reported in Account 1004 of the prior period call report, if the credit union has reported this information before.</b> This total must be tracked separately by the credit union since it will not appear directly on the balance sheet.	List the applicable total for the prior quarter-end adjusted retained earnings acquired through business combinations <a href="#">with another credit union. This provision does not extend to a credit union that acquires a bank through merger.</a> <b>This amount should equal the amount reported in Account 1004 of the prior period call report, if the credit union has reported this information before.</b> This total must be tracked separately by the credit union since it will not appear directly on the balance sheet.	To clarify what is to be reported in this area.	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
12	PCA Net Worth Calculation Worksheet	7b	1004B	List any applicable adjustments, such as additional business combinations. Note: The retained earnings of the acquired credit union at the point of acquisition must be measured under Generally Accepted Accounting Principles. The only time an adjustment would be negative is due to an accounting correction.	List any applicable adjustments, such as additional business combinations <b>with another credit union. This provision does not extend to a credit union that acquires a bank through merger.</b> Note: The retained earnings of the acquired credit union at the point of acquisition must be measured under Generally Accepted Accounting Principles. The only time an adjustment would be negative is due to an accounting correction.	To clarify what is to be reported in this area.	Dec-19
16	Risk Based Net Worth (RBNW)	10	718	Report the outstanding balance of any real estate loan or line of credit (reported in account 710).	Report the outstanding balance of any real estate loan or line of credit reported in account 710 <b>and also reported as business loans or participation interests qualifying for RBNW in account 400.</b>	To clarify what is to be reported in this area.	Dec-19
	Definitions			Cash equivalents An investment that: • Has an original maturity of 3 months or less at the time of purchase, • Is readily convertible to known amounts of cash, • <del>Is not a security as defined by Generally Accepted Accounting Principles,</del> and • Is used as part of the credit union's cash-management activities.	Cash equivalents An investment that: • Has an original maturity of 3 months or less at the time of purchase, • Is readily convertible to known amounts of cash, and • Is used as part of the credit union's cash-management activities.	To clarify the definition of cash equivalents.	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
	Definitions			<p>Right-of-use asset                      An asset <del>derived from a lessee's right to use an asset</del> over the life of an operating or finance lease. See ASC Topic 842.</p>	<p>Right-of-use asset                      An <b>agreement, contract, or part of a contract, conveys to the lessee the right to control the use of an asset</b> over the life of an operating or finance lease. <b>Both classifications of leases will be capitalized on the Statement of Financial Condition, a right-of-use asset will be recognized along with a corresponding liability for the lease obligation. The Statement of Income and Expense treatment will be different. For finance leases, amortization and interest expense are presented separately. For operating leases, there is only a single lease expense reported on a straight-line basis. See ASC Topic 842.</b></p>	<p>The instructions must be changed to provide guidance for credit unions that have early adopted ASC Topic 842. ASC Topic 842 is effective for credit unions for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, early application of ASC Topic 842 is permitted.</p>	Dec-19

Page (Form)	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification/ Reason	Change Date
	Definitions			<p><del>Security</del>  <del>A share, participation, or other interest in property or in an entity of the issuer or an obligation of the issuer that has all of the following characteristics:</del>  <del>a. It is either represented by an instrument issued in bearer or registered form or, if not represented by an instrument, is registered in books maintained to record transfers by or on behalf of the issuer.</del>  <del>b. It is of a type commonly dealt in on securities exchanges or markets or, when represented by an instrument, is commonly recognized in any area in which it is issued or dealt in as a medium for investment.</del>  <del>c. It either is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations.</del></p>		<p>Removed Security definition to improve clarity of cash equivalents.</p>	Dec-19