America's Credit Unions

January 29, 2025

Ms. Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Revisions to NCUA Form 5300 Call Report (OMB Control Number 3133-0004)

Dear Ms. Conyers-Ausbrooks:

On behalf of America's Credit Unions, I am writing in response to the National Credit Union Administration's (NCUA) notice of submission (Notice) to the Office of Management and Budget (OMB) regarding previously proposed changes to the NCUA Call Report (Form 5300).[1] America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their over 140 million members nationwide. As described below, we remain concerned about the additional account to report shares and deposits by maturity, as we believe it will impose an undue reporting burden on credit unions.

Proposed Revisions to the Call Report

In September, the NCUA proposed a number of changes to the Call Report, including revisions to several existing accounts as well as several new data points to be collected.[2] In our letter[3] regarding the previously considered changes to the Call Report, we flagged two proposed new accounts:

- Loans granted to credit union officials and senior executive staff year-to-date; and
- Reporting the maturity distribution of total uninsured shares and deposits.

Loans granted to credit union officials and senior executive staff year-to-date

We appreciate the removal of the proposed account requiring loans to credit union officials and senior executives year-to-date from the latest iteration of the Call Report changes. As we stressed to the agency, the enhancement to the NCUA's offsite supervision resulting from this change would have been minimal. Further, credit unions already

[1] 89 Fed. Reg. 106,605 (Dec. 30, 2024).
[2] 89 Fed. Reg. 75,590 (Sept. 16, 2024).
[3] America's Credit Union Letter to NCUA re Proposed Call Report Changes (Nov. 15, 2024), https://americascus.widen.net/view/pdf/5ed02cfe-06d5-42e2-aa60-ba837c3de152/CL%20-%20NCUA%20-%20RFC%20-%20Call%20Report%20Changes_final.pdf.

report the number and amount of loans *outstanding* to credit union officials and senior executive staff. It is difficult to see how any benefit from this proposed change would have justified the effort required for credit unions to track and report this information, which would be a manual process for some. Eliminating this proposed requirement is a sensible decision.

Reporting the maturity distribution of total uninsured shares and deposits

Unfortunately, the revised version of Call Report still includes the addition of an account requiring credit unions to report the total amount of uninsured shares and deposits by remaining maturity.

In our letter on the previously proposed changes, we noted several concerns with this additional reporting requirement. Foremost of these is our fundamental disagreement with the need to add this account, which will include definite costs to credit unions while providing questionable benefits to the agency. In justifying this new reporting requirement, the NCUA states that the agency "will use this information to evaluate depositor behavior and the movement between uninsured non-maturity shares and share certificates."[4] The agency fails to adequately support this contention, and we do not see how this additional account will aid the NCUA in evaluating depositor behavior.

In response to this concern, the NCUA noted in the current Notice that uninsured deposit runoff has been cited as a contributing factor in postmortem assessments of the 2023 banking failures.[5] The Notice further states that trends in uninsured depositor behavior can signal emerging risks to credit union system stability and the share insurance fund.[6] However, we stress that this data collection would be in addition to the already existing accounts pertaining to uninsured shares and deposits included in the Call Report. While the NCUA acknowledges this and states that the "maturity distribution will enable a more complete assessment of depositor behavior at the system and individual institution levels,"[7] we continue to believe that the potential benefits do not outweigh the inevitable reporting burden this requirement will impose.

We continue to hear concerns from credit unions regarding how to accurately report the information that would be required in this account. Specifically, the additional requirement to report uninsured shares and deposits by remaining maturity will add a layer of complexity that will be very challenging to accurately assess, or, at a minimum, will require very expensive customized reporting to drill down to this level of detail. This additional element will require credit unions to assess uninsured shares by first assessing

[4] Docket Document, NCUA Call Report Changes 2025-Q1, page 6 (Sept. 16, 2024), https://www.regulations.gov/document/NCUA-2024-0115-0003.
[5] 89 Fed. Reg. 106,606.
[6] *Id.*
[7] *Id.*

share insurance account type (*i.e.*, individual, joint, retirement, trusts, revocable trusts, and irrevocable trusts), then determining ownership and beneficiary relationships, before ultimately applying share insurance based on maturity. If adopted as proposed, these complexities will likely result in inaccurate assessments and reporting.

The bottom line is that reporting this information will present a significant challenge for credit unions. This will require additional expenditure of staff and financial resources that could be better utilized in serving members. Furthermore, we are concerned that if the NCUA proceeds with this proposed account, the challenges credit unions will inevitably face in determining this information could lead to inaccurate data being reported to the agency. Therefore, we reiterate our call for the NCUA to refrain from implementing the proposed requirement to report the total amount of uninsured shares and deposits by remaining maturity.

We do acknowledge and appreciate the NCUA's consideration of our concern regarding the timing of the proposed changes, and decision to delay the effective date to report the maturity distribution of uninsured shares beyond the March 31, 2025, report date. Although this timeframe is an improvement over the original proposal, we believe the agency should allow resource-constrained credit unions more time to make required updates, particularly when the agency has flexibility in determining the effective date (*e.g.*, there is no statutorily required effective date). Thus, we ask the NCUA to further revise the effective date to the June 30, 2025, report date.

Disclosure of Fee Data

Finally, we renew our request that the NCUA withhold from public disclosure data collected in the Call Report on overdraft and non-sufficient funds (NSF) fees.

As we have steadfastly maintained, we wholeheartedly oppose the changes to the Call Report requiring credit unions to report overdraft and NSF fees. Effective March 31, 2024, the agency added fields to the Call Report requiring credit unions above $1 billion in assets to report revenue from overdraft and NSF fees. As we have shared on numerous occasions, we strongly disagree with the mandatory reporting of such information.

Aside from concerns regarding the manner in which such changes were adopted, we continue to have significant concerns with legal and reputational risks that credit unions may encounter. While we recognize that such information is now being reported and is generally available to the public, such concerns about the impact of this disclosure remain. Given the potential consequences of disclosure, we believe it is imperative for the agency to reconsider its approach and ensure that sensitive information is handled appropriately.

Conclusion

America's Credit Unions appreciates the opportunity to comment on the revised changes to the Call Report. Should you have any questions or require any additional information, please contact me, Regulatory Advocacy Senior Counsel at LMartone@americascreditunions.org or (202) 508-6743.

Sincerely,

Luke Martone
Regulatory Advocacy Senior Counsel