

# NCUA LETTER TO FEDERAL CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314**

**DATE:** January 2009                      **LETTER NO.:** 09-FCU-03

**TO:** All Federal Credit Unions

**SUBJ:** Membership Data Collection

**REF:** [Letters to Credit Unions #03-CU-05, Expanded AIREs Loan and Share Record Layout](#)

Dear Board of Directors:

The purpose of this letter is to inform you of the membership data collection process NCUA began with examinations started in 2009.

During the May 2008 NCUA Board meeting, the Board approved the collection of federal credit union (FCU) membership profile data during the regularly scheduled examination cycle using Automated Integrated Regulatory Examination System (AIREs), NCUA's automated examination tool. Collecting membership data will allow for an assessment of FCU membership profiles by charter type and size. The membership profiles will provide a better understanding of whom FCUs serve within particular fields of membership. The data will also allow NCUA to be responsive to Congress and other interested parties. Additionally, the FCU membership profiles will facilitate NCUA outreach efforts.

As stated above, NCUA will use AIREs to collect the data. NCUA examiners will gather member address data through AIREs during the regularly scheduled examination cycle.<sup>1</sup> This provides for the most complete data and, more importantly, does not create a regulatory burden for reporting FCUs. Examiners will extract the needed information from the AIREs download, which the majority of FCUs provide during the examination. The specifications for the AIREs download are outlined in [Letters to Credit Unions #03-CU-05, Expanded AIREs Loan and Share Record Layout](#). For FCUs unable to provide an AIREs

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<sup>1</sup> Under the FCU Act, FCUs are subject to examination by, must make their books and records available to, and must make financial reports to the NCUA Board. 12 U.S.C. §1756. The NCUA Board is authorized to investigate, research, and study the methods and benefits of cooperative saving and lending among persons of modest means, and publish the results. 12 U.S.C. §1766(f)(1).

download, alternative methods for collecting the data have been provided to the examiners which will also not impose any regulatory burden on the FCU.

The membership profile data will be uploaded to NCUA central computers at the conclusion of the examination. NCUA will use geo-coding software to generate a membership income profile. The software will determine the census tract for each member account, extract median family income information from the U.S. Census Bureau, and create individual FCU membership profiles. In order to protect member privacy, member address data will be deleted once the geo-coding is complete and will not be retained on any NCUA computer or server. As always, NCUA has procedures in place to ensure control and confidentiality of your FCU's member data. These procedures include, but are not limited to:

- Examiners computers are password protected and the examination data is encrypted. The examiners have been instructed to lock their computers when they leave their work area. To access the computer after shutting down or hibernation, the examiner must enter a user name and corresponding password.
- After each examination, the examiner destroys the loan and share data downloads. NCUA examination reports may contain some member data, but are NCUA property and considered confidential, privileged, and exempt from public disclosure.

In conclusion, the membership profiles will provide us a better understanding of whom FCUs serve. NCUA plans to publish aggregate data on membership profiles collected through the above described method once a complete database from all FCUs is built. We are also developing a process to make your specific credit union information available to you for viewing later this year. You may find this information valuable in facilitating your FCU's services to members.

If you have any questions or concerns, please contact your regional office.

Sincerely,

/s/

Michael E. Fryzel  
Chairman