

# NCUA LETTER TO CREDIT UNIONS

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

**DATE:** February 2005 **LETTER NO.:** 05-CU-02  
**TO:** Federally Insured Credit Unions  
**SUBJ:** Call Report Modifications

Dear Manager and Board of Directors:

The enclosed schedule details changes to the Call Report, Forms 5300 and 5300SF for the 2005 reporting year. These changes are posted on the NCUA website at <http://www.ncua.gov/data/5300/05March/Mar05RFChanges.pdf>. We will continue to post any future changes as soon as they are available.

As part of the Accountability In Management (AIM) initiative for greater efficiency and in a continuing effort to make wise use of agency resources, NCUA initiated a call report modernization project in 2004. A comprehensive review of NCUA's 5300 data collection and analysis processes revealed significant opportunities to increase efficiency and effectiveness by implementing innovative technological improvements.

These improvements will reduce costs, increase data integrity, expedite information dissemination, and significantly increase NCUA's risk analysis capabilities. By leveraging technology, NCUA will also be providing the credit union community with a more efficient means to report data and new tools to access and work with this data.

NCUA plans to conduct pilot testing of the new process later this year. The feedback from pilot credit union participants will help shape the new process and guide NCUA in meeting the needs of insured credit unions. NCUA will share the details of the process improvements in a subsequent letter once the pilot testing is complete. We expect to implement the process improvements in late 2005.

**In order to take advantage of improved efficiency, starting with the September 2005 Call Report cycle, NCUA will no longer issue Call Report programs that run on the Windows 95 operating system.**

One of the following Microsoft operating systems will be required:

- Windows 98
- Windows Millennium Edition (ME)
- Windows XP
- Windows NT
- Windows 2000

In addition, the computer used by the credit union must have a CD-ROM drive, Microsoft Internet Explorer (Version 5.0 or higher) and 2 megabytes of free hard drive space. The September 2005 Call Report software program will be compatible with any printer supported by any of the above operating systems.

We appreciate your cooperation in helping us to improve the efficiency of our data collection program.

Sincerely,

*/s/*

JoAnn Johnson  
Chairman

Enclosure

## CHANGES TO THE CALL REPORT NCUA 5300 EFFECTIVE MARCH 2005

The following changes were made since the December 2004 5300 Call Report:

- Page 1a, ASSETS. Clarified that loan commitments to originate or acquire mortgage loans that will be resold could be reported as “Other Assets” or “Other Liabilities”, depending upon their fair value.
- Page 2a, ASSETS. Clarified that investments purchased and identified to fund deferred compensation agreement obligations should be reported as “Other Assets”.
- Page 5, LOAN INFORMATION. Separated Accounts 617A and 618A, number and amount of Outstanding Indirect Loans, into two subcategories – 1) Indirect Loans – Point of Sale Arrangement, and, 2) Indirect Loans – Outsourced Lending Relationship.
- Page 5, LOAN INFORMATION. Eliminated Accounts 692 and 692A, Loans in Process of Liquidation.
- Page 6a, INFORMATION SYSTEMS AND TECHNOLOGY. Item 3. Clarified that with home banking via direct dial-up/PC based access to electronic financial services, the connection is not made through the internet.
- Page 7, MISCELLANEOUS INFORMATION. Added “Debt Cancellation/Suspension Program” to the list of new programs or service offerings.
- Page 12, SCHEDULE C – INVESTMENTS, CASH ON DEPOSIT AND CASH EQUIVALENTS. Divided the investment maturity category of greater than 3, but less than or equal to 10 years into two categories – 1) greater than 3, but less than or equal to 5 years, and, 2) greater than 5, but less than or equal to 10 years.
  - Also, updated the Risk Based Net Worth categories on Page 19, STANDARD COMPONENTS OF RISK BASED NET WORTH (RBNW) REQUIREMENT, to reflect this change.
- Page 14a, SCHEDULE D – CREDIT UNION SERVICE ORGANIZATION (CUSO) INFORMATION. Item 3.F. Clarified the definition of “aggregate cash outlay”.
- Page 14, SCHEDULE D – CREDIT UNION SERVICE ORGANIZATION (CUSO) INFORMATION. Added an account to capture how an investment in a CUSO is accounted for on the credit union’s financial statements.
- Page 15, SCHEDULE E – BORROWINGS.
  - Added a line to capture draws against lines of credit separately from “Other Notes, Promissory Notes, and Interest Payable.”
  - Added accounts to capture total credit lines and total committed credit lines.
  - Eliminated Account 865, “Amount of Promissory Notes Outstanding to Non-Members.”
  - Eliminated Account 895, “Is your credit union a member of a corporate credit union?”
  - Eliminated Account 899, “Has your credit union purchased a committed line of credit with a corporate credit union, other credit union, or other financial institution?”

- Page 17, SCHEDULE G – OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES. Added an account to capture unfunded overdraft protection program commitments.

The instructions to prepare this form meet the requirement to provide guidance to small credit unions under Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996.

Public reporting burden of this collection of information is estimated to average 6.6 hours per response, including the time for reviewing instructions, searching existing data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspects of this collection of information, including suggestions for reducing this burden to:

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Office of the Chief Information Officer  
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and to:

Office of Management and Budget  
Paperwork Reduction Project (3133-0004)  
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