

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION

NATIONAL CREDIT UNION SHARE INSURANCE FUND

LETTER NO. 160

DATE: November 1994

DEAR BOARD OF DIRECTORS:

This letter is to inform you of changes that we plan to make to the Call Report, Forms 5300 and 5300S, which will be in effect for all reporting cycles in 1995. No other significant changes are anticipated until 1996.

The most significant Call Report modifications for 1995 are listed below:

- * An additional line has been added to the balance sheet for reporting accumulated unrealized gains (losses) on available for sale securities. This is the separate component of equity required by Statement of Financial Accounting Standard (SFAS) 115.
- * On the Investment Schedule, reporting investments by type will continue to be required, however, the maturity classifications by type has been eliminated.
- * On the Investment Schedule, there is a new section for reporting the aggregates of Held-to-Maturity securities, Available-for-Sale securities and Trading securities (SFAS 115 categories). These investments will be categorized by maturity using the following classification: less than 1 year, 1 to 3 years, 3 to 10 years and over 10 years.
- * On the Investment Schedule, a new line has been added to report the amount of mortgage derivative products that are defined as high risk securities (per Interpretive Ruling and Policy Statement 92-1).
- * On the Investment Schedule, a new line has been added to report the amount of investments in derivatives of U.S. Government obligations and federal agency securities other than mortgage derivative products (e.g., structured notes, inverse floaters, range floaters, step-up notes).
- * On the Call Report for state chartered credit unions only, there is a new item on the Investment Schedule for reporting the amount of investments that are not authorized by the Federal Credit Union Act or NCUA Rules and Regulations, and for which state chartered credit unions are required to maintain a valuation reserve, in accordance with NCUA Rules and Regulations Part 741.9(a)(3).
- * On the Call Report for federal credit unions only, there are 3 new items on the Miscellaneous Information Schedule for reporting the number of occupational groups, new and potential members that have been added to the credit union's field of membership year-to-date, using NCUA's new Streamlined Expansion Procedures (per Interpretive Ruling and Policy Statement 94-1).
- * An additional schedule has been added for reporting information about Credit Union Service Organizations (CUSO). For each CUSO that a credit union has either a loan to or an investment in, the credit union must report the name of the CUSO, the amount invested in the CUSO, the amount loaned to the CUSO, answer

whether the CUSO is wholly owned by the credit union, and indicate the predominant service provided by the CUSO.

Thank you for your attention to these modifications.

For the National Credit Union Administration Board,

Norman E. D'Amours
Chairman

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CANCELLED