



**America's  
Credit Unions**

February 28, 2024

The Honorable Todd M. Harper  
Chairman  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

## **RE: Transparency Regarding Call Report Changes**

Dear Chairman Harper:

On behalf of America's Credit Unions, I am writing to thank you for meeting with us last week and to express appreciation for your willingness to consider enhancing the National Credit Union Administration's (NCUA) transparency regarding proposed changes to the Call Report. Our legacy organizations previously expressed frustration with the process and asked the NCUA to provide more notice to credit unions regarding proposed changes to the Call Report as well as more time for changes to be implemented.<sup>1</sup> Under this current, opaque process the NCUA should not be issuing significant changes to the Call Report that could have broad implications for credit unions, not only in terms of operational challenges to implement the proposed changes, but also in terms of reputational risk.

Credit unions should be directly informed about proposed changes to the Call Report, including via an alert emailed directly to credit union leaders, information posted on the NCUA's website, and webinars and other educational resources. Credit unions should also be provided with more opportunity (i.e., longer than 30 days) to submit feedback on proposed changes so that impacted credit unions have adequate time to review the changes, collect input from their various business units, and share any comments or concerns with the agency.

The NCUA's recent proposal to add fields requiring credit unions above \$1 billion in assets to list income related to overdraft fees and non-sufficient funds (NSF) fees was noticed in the *Federal Register* in December, shortly before the holidays, with only a 30-day comment period.<sup>2</sup> There was no alert shared with credit unions, information posted on the NCUA website, or other source flagging this notice containing important Call Report changes. Many credit unions, including

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<sup>1</sup> CUNA Letter to NCUA, Changes to the NCUA Call Report (Nov. 23, 2021), [https://www.cuna.org/content/dam/cuna/advocacy/letters-and-testimonials/2021/112321\\_NCUA\\_OMB%20Request%20re%20Call%20Report\\_final.pdf](https://www.cuna.org/content/dam/cuna/advocacy/letters-and-testimonials/2021/112321_NCUA_OMB%20Request%20re%20Call%20Report_final.pdf); NAFCU Letter to NCUA, PRA Notice on NCUA Call Report (Document No. 2021-20850) (Nov. 26, 2021), <https://www.nafcu.org/system/files/files/11.26.2021%20Letter%20to%20NCUA%20on%20Call%20Report%20Changes.pdf>.

<sup>2</sup> Revisions of Agency Information Collection of a Previously Approved Collection; Request for Comments, 88 F.R. 85327 (Dec. 7, 2023), <https://www.federalregister.gov/documents/2023/12/07/2023-26854/revisions-of-information-collection-of-a-previously-approved-collection-request-for-comments>.

some of the largest institutions with more staff capable of monitoring these types of developments, were surprised to learn about these proposed changes only recently when you referenced the proposal at a public event. Aside from creating parity with the Federal Deposit Insurance Corporation's Call Report for banks, the NCUA has not clearly identified a rationale for adding these new account codes for overdraft fee income and NSF fees and has not provided the industry with enough opportunity to share feedback regarding the changes. Although the more than 400 credit unions that will be impacted by these changes comprise a relatively small share of the industry, they comprise the majority of credit union assets. These credit unions deserve ample time to review significant Call Report changes and provide the agency with feedback. America's Credit Unions objects to the inclusion of these new account codes for overdraft fees and NSF fees and is deeply concerned about the obscure process the NCUA utilizes for such important changes.

With previous Call Report changes, including those in 2021 to add new codes related to the implementation of the Current Expected Credit Losses (CECL) methodology and the Risk-Based Capital rule, the NCUA posted information on its website and held webinars in advance of the effective date of these changes. Those original changes should have been noticed with a longer comment period and we appreciated the NCUA's extension of that comment deadline to afford more time to gather input from the industry. Other recent Call Report changes<sup>3</sup> have similarly lacked sufficient notice and an opportunity to submit comments as some credit unions raised concerns regarding, for example, instructions related to modifications to borrowers experiencing financial difficulty that deviated from Generally Accepted Accounting Principles, but only saw these changes too late to submit written comments through the *Federal Register*.

Ideally, the NCUA should post all proposed changes to Call Reports at least two quarters in advance so that credit unions have a chance to thoroughly review the changes and share input with the agency. Absent extraordinary circumstances, additions should not be proposed the quarter prior to the effective date of the changes. America's Credit Unions looks forward to continuing to work with you to incorporate a more transparent process for Call Report changes and appreciates your attention to these concerns. If you have any questions, please do not hesitate to contact me at [apetros@americascrreditunions.org](mailto:apetros@americascrreditunions.org) or (703) 842-2212.

Sincerely,



Ann C. Petros  
Vice President of Regulatory Affairs

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<sup>3</sup> 88 F.R. 62604 (Sept. 12, 2023), <https://www.federalregister.gov/documents/2023/09/12/2023-19585/revisions-of-agency-information-collections-for-comments-request-proposed-collections>.