

January 2, 2018

Ms. Amber Gravius
National Credit Union Administration (NCUA)
1775 Duke Street
Alexandria, VA 22314
Submitted via email: BIMail@NCUA.gov

Re: Electronic Data Collection Modernization

Dear Ms. Gravius:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the electronic data collection and standardization. HCUA appreciates the intent to standardize data collection to provide a consistent and objective examination experience as well as minimize on-site examination time. However, any new requirements would need to include a multi-year phase-in period and not employ a one-size-fit-all model to data collection that may be inappropriate for smaller credit unions.

Question 1. Are there any example data fields that cannot be reasonably provided electronically? What other data fields could be provided that NCUA should consider collecting electronically?

Many of the data fields outlined in the draft are beyond what is reasonably required for a regulatory examiner. Certain data fields would be inapplicable to many product lines including, but not limited to, the following fields: number of renewals, draw period, sold percentage, policy exception, last file maintenance action code, reserve losses, credit disability, and four sections for delinquency counters. The ongoing compliance to update the listed fields would significantly extend the length of time to finalize a loan and would likely require another full-time compliance professional, if not more. As such, NCUA should absolutely reduce these data fields.

Question 2. For electronic data, what file formats (e.g., MicroSoft Excel, CSV, etc.) are available?

Despite the omnipresence of MicroSoft Suite, many credit unions have alternative computer processing software and limiting the software compatibility could require significant costs that would be particularly burdensome for small credit unions. Rather than require credit unions to rely on pricey vendor-based systems, the Business Innovation Office should consider developing a tool to transmit data in a standardized open source file format.

Question 3. If a credit union cannot provide data electronically, to what extent is the limitation due to the IT systems?

Multiple data fields outlined in the discussion paper are currently not being collected. With the

current credit union vendor database offerings not being exhaustive, the cost of dramatic vendor reconfigurations would be passed on to the credit unions and their members.

Question 4. Number of vendors, systems, or service providers used where data extraction can currently be made for examination purposes.

Serious concerns exist as to the ability of vendors to deliver reliable and effective data extraction since the vendors have no legal accountability for regulatory compliance for clients. In the past IT vendors have been frequently tardy in meeting projected timelines.

Question 5. Reliance on third party vendor to produce raw data downloads? Flexibility to self-customize?

Most credit unions do not have the ability to self-customize and instead rely on third-party vendors to produce data downloads.

Question 6. Technological challenges NCUA should consider (file names, format, dates).

The integration of additional systems outlined in the Request For Information (RFI) would only be accomplished through time consuming and cost intensive manual data processing.

Question 7. Additional initial and annual costs expected?

The compliance costs would increase immediately by requiring re-cataloguing of old files, the ongoing cost to train credit union staff on new systems and additional costs to house any new data collected based upon record retention requirements.

Question 8. Ability to retain and create current loan and data and also new download formats?

The technological infrastructure to host two separate data formats and have them work concurrently would be expensive to create and implement.

Question 9. Should NCUA eliminate the “critical” and “optional” data categorizations?

To the extent possible, any new requirement should separate out compulsory versus non-compulsory data categories.

Question 10. Proposed alternatives to standardized collection to minimize burden.

The smallest in the industry should be exempt from any standardization of this scale. NCUA should engage vendors to be a part of the dialogue as they vendors will be largely responsible for crafting the technology solution.

Question 11. Implementation strategies and timelines?

Any new data requirements should allow for sufficient time to deploy systems. Implementation of such technology would likely be a multi-year process.

Question 12. Information security controls and assurances from NCUA?

HCUA would support a standard that holds harmless credit unions providing information to their functional regulator as part of ongoing safety and soundness supervision.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Douglas". The signature is written in a cursive style with a large, stylized initial 'B'.

Brad Douglas
President/CEO