

April 2, 2018

Ms. Mary Thor  
Office of Examination and Insurance  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Re: Carolinas Credit Union League – Call Report/Profile Content Modernization

Dear Ms. Thor:

The Carolinas Credit Union League (CCUL), a trade association representing the interests of 140 credit unions in North and South Carolina, submits the following comments in response to the National Credit Union Administration's (NCUA) request for information on the proposed Call Report/Profile Content Modernization. CCUL understands that credit unions are more than financial institutions, they are community institutions built on a philosophy of people helping people. With that in mind, CCUL works to protect and advocate for credit unions that provide financial services to their member-owners.

CCUL appreciates NCUA's efforts to reduce the regulatory burden on credit unions and supports the proposed changes as they represent an improvement from the current Call Report and Profile. However, there are additional enhancements NCUA can implement that would further improve the regulatory burden for credit unions. We submit the following comments on the proposed changes and additional recommendations below.

### **Call Report**

Although the proposed Call Report is streamlined with improved instructions and classifications CCUL recommends the following specific recommendations:

- Self-Aggregating Account Codes – Several schedules of the Call Report aggregate related account codes to equal a separate “total” field, however, the preparer must enter the underlying fields as well as the “total” field. CCUL recommends NCUA automatically populate the “total” field with the aggregated account fields.
- Money Service Business (MSB) Section –
  - Define the term “MSB”
  - Provide specific guidance on whether:
    - The term “accounts” includes only deposit accounts, or deposit accounts and loans.
    - An MSB not conducting activity through the credit union's accounts should be included in “Line 1: total number of accounts and total dollar amount of accounts” provided to entities operating as MSBs
    - A business member that has money order activity in their account(s) but the sale of money orders is below the MSB threshold should be reported in this section.
    - A MSB is reported only if they are required to be registered as an MSB vs. an agent of an MSB.
- Commercial Loans and Member Business Loans – Schedule FC-E and Schedule FC-1 request information on “junior liens” without defining the term. CCUL recommends NCUA should define the term “junior lien” and clarify whether NCUA seeks information only on junior liens where another financial institutions holds a superior lien.

### **General Recommendations**

- An 18-month implementation period to provide credit unions ample time to work with their core processing vendor to incorporate system improvements, such as rearranging data points to build them into supporting reports and schedules.
- A two-quarter moratorium on penalties for late filing and nonmaterial reporting errors.
- Insert a “help” box similar to the “help” box in AIREs to provide for ease of completion.
- Build a dynamic call report that only shows schedules applicable to the credit union. For example, if a credit union does not make member business loans or utilize derivatives then those schedules would not populate for the credit union.
- Training for the new CECL section for early adopters as well as clarification as to whether this section will be the same once CECL is required.

Thank you for the opportunity to provide comments on the Call Report/Profile Content Modernization request for information.

Sincerely,

A handwritten signature in blue ink that reads "Jeanne A. Couchois". The signature is written in a cursive style with a large, stylized initial "J".

Jeanne Couchois  
VP Compliance and Regulatory Counsel