

March 28, 2018

Via Email: CallReportMod@ncua.gov

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: BECU Response to Request for Information – Call Report/Profile Content Modernization

Dear Mr. Poliquin:

Boeing Employees' Credit Union (BECU) is a Washington state-chartered credit union, headquartered in Tukwila, Washington. BECU has approximately 1.1 million members, 2,000 employees, and \$17.9 billion in assets as of December 31, 2017.

This letter provides BECU's response to the National Credit Union Administration's (NCUA's) request for information on plans for modernizing the collection of data from federally insured credit unions.

We appreciate the NCUA's focus on reducing regulatory burden, and believe the modernization plans are a positive step in the right direction. While we commend the NCUA on proposed changes that improve the organization of the 5300 Call Report forms and the reduction of duplicative input, we urge further explanation and detail in the related instructions.

1. Are there account codes that are proposed to be retired that are still pertinent? If so, please provide the account code(s) and the reason for maintaining it.

No.

2. Are there additional account codes that should be retired or consolidated? If so, please provide the account code(s) and the reason for retiring it.

BECU recommends the NCUA consider automatic calculation of all account codes that are totals of fields inputted elsewhere on the form. We ask that we not be required to input the total field, to instead have the form automatically calculate it from the underlying fields. For example, account 010 sum of total assets must equal the sum total of various other fields which are described in that line item. The form should aggregate those underlying fields and auto-populate the data into the total asset field.

3. Are relocated account codes grouped logically? If not, please propose a location you feel is more logically suited.

Yes, the account code organization is improved over the current Call Report form.

4. Should any of the schedules be expanded to assist in analysis based on new rules or accounting changes? If so, please provide details of data the NCUA should also collect.

Not at this time. The proposed Call Report segregates information for early adopters of ASC 326: CECL which is appreciated. For planning purposes, it would be helpful to know if this will be the same information gathered at the point when CECL is required or if we are to expect future Call Report changes or additions to the data requested on credit losses.

5. Are the instructions adequate in both content and design? If not, please cite specific sections that require improvement or correction.

No, BECU respectfully requests that the instructions are expanded to clarify the following items:

- FC-T pages 2 and 3: The proposed instructions do not address lines 22-46. The lines represent data that credit unions have not previously had to report, so the instructions should be detailed for these lines to prevent inconsistent or incorrect application.
- FC-A: The instructions should define securities held in senior tranches versus subordinated tranches.
- FC-E and FC-I: The instructions should define a junior lien. For example, is a loan in junior lien position if the institution already holds the first lien on the same collateral? Or is it only a junior lien if another institution has the first lien?
- FC-E: The instructions should define if the dollar amount of loans includes deferred costs.
- FC-K: The instructions should provide detailed definitions and examples of the commercial loan subcategories.

Additionally, BECU respectfully requests that the final instructions are consistent with the online portal.

6. How much lead time do credit unions need to work with vendors to make changes to their systems in order to support such changes to the Call Report?

BECU respectfully requests lead time of at least one year.

7. Are there any operational issues the NCUA should be aware of prior to implementing the proposed changes?

No.

8. From your perspective, do you think this is a reduction in your reporting burden? Please explain.

The proposed Call Report format includes many improvements. For example, the reporting of derivatives reduces redundancy and improves readability. We also believe the elimination of reporting interest rates will reduce burden and confusion as we no longer must determine if we report the common rate based on dollar volume or frequency. Overall, we are pleased with the changes proposed and expect this will modestly reduce our reporting burden.

We thank the NCUA for the opportunity to respond.

Sincerely,



Mike Ryan
VP & General Counsel