



January 2, 2018

Amber Gravius
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Comments on Electronic Data Collection Modernization

Dear Ms. Gravius,

On behalf of Randolph-Brooks Federal Credit Union (RBFCU), this letter is being submitted in response to the National Credit Union Administration's (NCUA) proposed rule on "Electronic Data Collection Modernization." We greatly appreciate the opportunity to comment on this proposed rule and provide our concerns.

Introduction

The NCUA is conducting a comprehensive review of the loan, deposit, and investment information collected electronically during examinations of federally insured credit unions (FICUs). The overarching goal is to modernize, formalize, and standardize data formats collected during examinations from the core data processing and offline systems used by credit unions.

Regulatory Burden on Credit Unions

RBFCU believes the additional data fields required by NCUA create a significant burden on our credit union. The primary challenge when collecting and producing this data is the data being requested is stored in different systems. These systems include RBFCU's core system, various systems outside the core system, and also third-party vendor systems. To consolidate all of this data into a single format will require assistance by third party vendors some of which will result in additional billings by the third-party, new business processes, additional manpower, and training for employees on how to create and collect this information. In conjunction, this creates significant monetary and administrative burden on the credit union to monitor the quality and availability of this data.

Benefits of Additional Data

While RBFCU believes the new data fields being requested by NCUA will add significant regulatory burden on the credit union as discussed above, we also do not see the additional benefit that NCUA will gain through the collection of this information. The current data requested by NCUA is sufficient to thoroughly conduct a comprehensive examination of a credit union, and therefore, it is unnecessary to create such a significant burden without proper justification. For this reason, RBFCU seeks additional

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clarity on the purpose behind each new additional data field and respectfully requests NCUA to explain what they will achieve through the collection of this information and how they plan to use the data to achieve their suggested goals.

Cybersecurity Issues

As NCUA evaluates electronic data collection, RBFCU would like to stress the importance of data security and the use of proper encryption technology. In the RFI, NCUA emphasizes the "great care" it is taking to protect sensitive and personally identifiable information. However, the federal standards cited in the RFI are the minimum precautions that should be taken when safeguarding valuable member data. In developing a new electronic data collection format and process and proposing to collect and store even more sensitive information, it is imperative that NCUA evaluates data security measures at every step and hold themselves to the highest standards in the industry. Although credit unions and third party vendors must understand and appreciate the importance of encryption and data security measures, the burden should rest with the NCUA to encrypt and protect credit unions' sensitive data during the examination process. Credit unions should not be required to invest in technology to participate in the examination process. Additionally, credit unions deserve a safe, easy, and efficient means of sharing their important data with the NCUA if new electronic data collection processes becomes required.

Conclusion

In closing, we hope NCUA will consider the enormous burden that would be created by the expansion of the new data requests. While this process will be onerous to the credit union, we do not believe NCUA needs this additional data to conduct an adequate and thorough examination of a credit union. As such, we seek greater clarity on what specific benefits NCUA is hoping to achieve through the collection of the new data. Finally, it is essential for NCUA to keep data security at the forefront of its consideration process. The reputation of the credit union industry and each credit union is dependent on strong data security initiatives. We thank you once again for the opportunity to comment.

Sincerely,

Robert Zearfoss
Executive Vice President, Chief Financial Officer
Randolph-Brooks Federal Credit Union

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