

SUPPORTING STATEMENT
National Credit Union Administration

Federal Credit Union Bylaws
(Appendix A to Part 701)
OMB No. 3133-0052

A. JUSTIFICATION

1. Circumstances necessitating the collection of information

Section 108 of the Federal Credit Union (FCU) Act (12 U.S.C. 1758) requires the National Credit Union Administration (NCUA) Board to prepare bylaws before an FCU's charter is complete. The form bylaws are established to simplify the organization of a FCU and establish uniformity regarding FCU operations and member rights. The NCUA Board adopted the Bylaws and incorporated them into NCUA's regulations at 12 CFR 701.2 and as Appendix A to Part 701, in 2007.

2. Purpose and use of the information collection

The bylaws address a broad range of matters concerning: an FCU's organization and governance; the FCU's relationship to members; and the procedures and rules an FCU follows. The FCU uses the information it collects and maintains pursuant to the bylaws in its operations and to provide services to its members. The NCUA uses the information both to regulate FCUs to protect consumers and monitor their safety and soundness to protect the National Credit Union Share Insurance Fund.

3. Consideration given to information technology

FCUs use available information technology to retain records and to provide records to NCUA electronically.

4. Duplication

The bylaws supplement broad provisions of: an FCU's charter, which establishes an FCU's existence; the FCU Act, which establishes FCU powers; and other NCUA regulations, which implement the FCU Act. The bylaws' information collection requirements supplement the ones in these aforementioned provisions, but are not duplicated anywhere.

5. Reducing burden on small entities

There is no impact on small entities.

6. Consequences of not conducting the information collection

As a legal matter, an FCU's bylaws must conform to and cannot be inconsistent with any provision of its charter, the FCU Act, NCUA regulations, or other laws or regulations applicable to the FCU's operations.

7. Inconsistent with 5 CFR § 1320.5(d)(2)

The collection will not cause information to be collected in a manner inconsistent with the regulation above.

8. Consultations outside the Agency.

A 60-day notice was published in the *Federal Register* on July 14, 2016, at 81 FR 45544. NCUA did not receive any comments regarding the collection.

9. Payment or gift to respondents.

There is no decision to provide any payment or gift to respondents.

10. Assurance of confidentiality.

There is no assurance of confidentiality provided to respondents.

11. Questions of a sensitive nature.

This is a recordkeeping requirement. No personally identifiable information (PII) is collected.

12. Burden of information collection

As a preliminary matter, those persons choosing to organize a new FCU must comply with certain information collection requirements upon starting the FCU and first adopting these bylaws. Over the past three years, organizers have established an average of approximately three new FCUs each year. We estimate each new FCU must spend approximately 20 hours to initially comply with the bylaws' information collection requirements, for a total annual collection of 60 hours.

For current FCUs, it has been a usual and customary business practice, since their initial charter dates, to collect and maintain any information as specified the bylaws. To determine the current annual burden hours for this collection, NCUA staff reviewed each Article of the FCU Bylaws and have identified the following articles as containing information collection requirements.

	Article	# Respondents	# Responses Per Respondent	Total Annual Responses	Hours Per Response	Total Annual Burden
1	New FCU bylaws collection requirements	3	1	3	20	60
2	Article II. Qualifications for Membership – Membership Application	3,721	333	1,239,229	0.25	309,807.25
3	Article II. Qualifications for Membership – Membership applications – Denial*	3,721	0.25	930	0.25	232.50
4	Article IV. Meetings of Members – Notices related to member meetings	3,721	1	3,721	1	3,721
5	Article V. Elections – Collecting and maintaining information for FCU elections	3,721	1	3,721	8	29,768
6	Article V, Section 6 – Report of Officials.	OMB No. 3133-0004				
7	Article VI. Board of Directors – Board meeting notices	3,721	1	3,721	1	3,721
8	Article XVI. General – FCU recordkeeping specified in Sections 5 and 6**	3,721	1	3,721	24	89,304
TOTALS				1,255,046	0.35	436,613.75

* One-quarter of all FCUs deny one member per year.

** This includes, for example, the time that it takes each FCU time to prepare and maintain the minutes of its board meetings, annual meeting, and committees meetings. NCUA's estimate also includes retention of the FCU's certificate of incorporation, bylaws, and any records of bylaw amendments, which occur infrequently.

NCUA does not believe that FCUs will incur any additional labor costs as a result of the bylaw requirements since these are in accordance with the FCUs' usual and customary business practices. The FCU bylaws address integral parts of an FCU's operations as member-owned, not-for-profit financial cooperatives. Since an FCU could not operate as a federally chartered and insured credit union without complying with these collections, there is no additional labor cost burden.

13. Capital start-up and operation and maintenance costs

There are no capital start-up or operation and maintenance costs incurred.

14. Cost to the Federal government.

There is no cost to the federal government.

15. Reason for change

A reduction of 224,226 responses and 21,864 burden hours are adjustments attributed to the continuing trend of decreases in the number of FCUs. There are also adjustments in the burden associated with the recordkeeping required in Article XVI, which have increased from 12 to 24 hours annually. This is due to increasing complexity of credit union operations and the corresponding committee minutes required to document such operations. A total of 436,614 burden hours are requested.

16. Information Collection Planned for Statistical Purposes

There are no plans for publication.

17. Exceptions to Certification for Paperwork Reduction Act Submissions.

The OMB control number and expiration date associated with this PRA submission will be displayed on the Federal government's electronic PRA docket at www.reginfo.gov.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.