

Credit Union  
Power BI User Group

# Credit Union Call Report Changes 1Q22



**April Virtual Meet-Up**

April 7<sup>th</sup>, 2022

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- We are audio broadcasting so please plug in your headphones or computer speakers to listen in.
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- **Telephone:** +1 646 558 8656

**Webinar ID:** 837 5932 7151

**Passcode:** 618022

# Slide Link

Today's slides can be found online at:  
<http://bit.ly/2022-04-7-callreportchanges>

# We Encourage Questions

Use the

## **Questions Box**

located on the bottom of your screen to type your comments or questions.



# Tell Us What You Think!



**Please take our post-event survey. We value your feedback!**

# Agenda

## History of (Recent) Call Report Changes

**William Hunt** | Manager of Industry Analysis

## Chhhh-Changes! What's Changing? What Does It Mean?

**William Hunt** | Manager of Industry Analysis

## Credit Unions Weigh In

**Kelly Gage** | Business Intelligence Analyst | Red Canoe Credit Union (WA, \$1.2B)

# A Brief History of (Recent) Call Report Changes

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# Call Report Modernization Project

<https://www.ncua.gov/regulation-supervision/examination-modernization-initiatives/call-report-modernization>

- Streamlining the call report process.
- Reorganizing and improving data collection.
- Accommodating the complex credit union leverage ratio (CCULR) and the risk-based capital (RBC) schedule.





# How It Started



- **2016:** [Request for Information](#) seeking public input on data collected
- **2018:** [January 2018 Federal Register Notice](#) unveils proposed changes for public comment

“A clear takeaway from the comments the NCUA received from this request for information was the

- need to **reduce the size and complexity** of the Call Report,
- **reorganize** the schedules so items in the report were **grouped more logically** and with **less overlap**,
- and to **improve the quality of instructions.**”

[NCUA, 2018](#)

# The Changes Rolled Out Incrementally

- 1Q17 Updated Call Report
- 3Q17 Updated Call Report
- 1Q18 Updated Call Report
- 1Q19 Updated Call Report
- 2Q19 Updated Call Report
- 1Q20 Updated Call Report
- 2Q20 Updated Call Report
- 4Q20 Updated Call Report
- 1Q21 Updated Call Report
- 3Q21 Updated Call Report
- **1Q22 Updated Call Report**

# Where Are We Today?

Credit Union Name: \_\_\_\_\_ Federal Charter/Certificate Number: \_\_\_\_\_

**STATEMENT OF FINANCIAL CONDITION AS OF: \_\_\_\_\_**  
 (ROUND CENTS TO THE NEAREST WHOLE DOLLAR. DO NOT REPORT CENTS.)

*This page must be completed by all credit unions.*

**ASSETS**

**CASH:**

	Acct Code	Amount
1. Cash on Hand (Coin and Currency).....	730A	
2. Cash on Deposit (Amounts Deposited in Financial Institutions)		
a. Cash on Deposit in Corporate Credit Unions.....	730B1	
b. Cash on Deposit in Other Financial Institutions.....	730B2	
c. Total Cash on Deposit (Amounts Deposited in Financial Institutions).....		
3. Cash Equivalents (Investments with Original Maturities of Three Months or Less).....		

1Q22

**INVESTMENTS: If your credit union reports amounts for items 4, 5, or 6 below, complete Schedule**

	A	Acct Code	B
	<= 1 Year		> 1-3 Years
4. Trading Securities.....		965A	
5. Available for Sale.....		797A	

2Q16

Credit Union Name: \_\_\_\_\_ Federal Charter/Certificate Number: \_\_\_\_\_

**STATEMENT OF FINANCIAL CONDITION AS OF: \_\_\_\_\_**  
 This page must be completed by all credit unions.

[Back to Navigation Page](#)

**ASSETS**

Have you early adopted ASC Topic 326: Financial Instruments - Credit Losses (CECL)? Select yes or no.		AS0010
NOTE - Review the Call Report Instructions carefully if you have early adopted ASC Topic 326: Financial Instruments - Credit Losses (CECL).		

**CASH AND DEPOSITS: If your credit union reports an amount in Account AS0007 or AS0008 below, complete Schedule B, Section 3, Investments - Maturity Distribution.**

		Amount	Account
1. Cash on Hand	a. Coin and Currency		AS0004
	b. Cash Items in Process of Collection		AS0005
	c. Total Cash on Hand		730A
2. Cash on Deposit (Amounts Deposited in Financial Institutions)	a. Cash on Deposit in Corporate Credit Unions		730B1
	b. Cash on Deposit in a Federal Reserve Bank		AS0003
	c. Cash on Deposit in Other Financial Institutions		730B2
	d. Total Cash on Deposit (Amounts Deposited in Financial Institutions)		730B
3. Time deposits in commercial banks, S&Ls, savings banks, natural person credit unions, or corporate credit unions			AS0007
4. All other deposits			AS0008
<b>5. TOTAL CASH AND OTHER DEPOSITS (Sum of Accounts 730A, 730B, AS0007, and AS0008)</b>			<b>AS0009</b>

# Chhh-Changes!

What's Happening?

*What do these changes mean for my credit union?*

# 2022 Changes

**Reorganized  
Form**

**Updated  
Instructions**

**New:  
CCULR or  
RBC**

**Reduced  
Fields by  
18%**

# Key Changes From 4Q21 to 1Q22

- Expanded Information on Foreclosed and Repossessed Assets
- Removing Commercial Loans from the Real Estate Lending Detail
- Reducing Delinquency and Charge-Off categories, and aligning them with loan types
- Adjustments to Indirect Loan and Participation reporting requirements
- Restructuring categories for Investment Portfolio reporting
- New Information on Off-Balance Sheet Exposures
- Addition of CCULR and RBC Calculation Schedules

# Reorganized 5300 Form

Credit Union Name: \_\_\_\_\_

Federal Charter/Certificate Number: \_\_\_\_\_

## NATIONAL CREDIT UNION ADMINISTRATION CALL REPORT FORM 5300

### Financial Statements

Statement of Financial  
Condition - Assets  
Page 1

Statement of Financial  
Condition - Assets  
Page 2

Statement of Financial  
Condition - Liabilities &  
Equity Page 3

Statement of Income  
and Expense  
Page 4

Statement of Income  
and Expense  
Page 5

### Cash and Investment Information

Available-for-Sale and  
Held-to-Maturity Debt  
Securities Page 13

Trading Debt and Equity  
Securities  
Page 14

Investment Maturity  
Distribution  
Page 15

Investments -  
Memoranda  
Page 16

### Loan Information

Loans  
Page 6

Delinquent Loans  
Page 7

Loan Charge Offs and  
Recoveries  
Page 8

Loans -  
Supplemental Information  
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Indirect Loans  
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1-4 Family Residential  
Property Loans  
Page 11

Commercial Loans  
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Loans Purchased  
and Sold  
Page 10

### Other Schedules

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Complex Credit Union  
Leverage Ratio  
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Credit Union Service  
Organizations (CUSO)  
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Borrowing  
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Net Worth Calculation  
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Risk Based Capital Ratio  
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Shares -  
Supplemental  
Page 19

Supplemental Information  
Page 20

# More Instructions!

## New 5300 Form

<https://www.ncua.gov/files/publications/regulations/form-5300-march-2022.pdf>

## New Instructions

<https://www.ncua.gov/files/publications/regulations/call-report-instructions-march-2022.pdf>



# Fewer Codes?

Call Report: Total Fillable Account Codes			
	December 2021 Call Report	March 2022 Call Report	% Change
Credit unions $\leq$ \$500 million in assets	920	750	-18%
Credit unions $>$ \$500 Million in assets electing CCULR	920	769	-16%
Credit unions $>$ \$500 Million in assets NOT electing CCULR	920	843	-8%

# Fewer Codes Mean Notable Code Changes

Metric Name	Old Code(s)	New Code(s)	New Formula	Notes on Change
Total Investments (excl. Cash)	a799i	aas0007+aas0008+aas0013+aas0017	aas0007+aas0008+aas0013+aas0017+a799i	Consistent over all quarters.
Deposits in Commercial banks, S&L, Savings Banks	a744c	aas0007	a744c+a672c+a652c+aas0007	Three old categories combined into one new category.
Loans and Investments in Natural person credit unions	a672c	aas0007	a744c+a672c+a652c+aas0007	Three old categories combined into one new category.
Investments in Corporate Credit Unions	a652c	aas0007	a744c+a672c+a652c+aas0007	Three old categories combined into one new category.
Investment Maturities <1 Year	a799a1	anv0153	a799a1+anv0153	Consistent over all quarters.
Investment Maturities 1-3 Years	a799b	anv0154	a799b+anv0154	Consistent over all quarters.
Investment Maturities 3-5 Years	a799c1	anv0155	a799c1+anv0155	Consistent over all quarters.
Investment Maturities 5-10 Years	a799c2	anv0156	a799c2+anv0156	Consistent over all quarters.
Investment Maturities >10 Years	a799d	anv0157	a799d+anv0157	Consistent over all quarters.

# Financial Statement Changes

- Expanded foreclosed and repossessed assets **AS0022**
  - Added an account for commercial loans
- Relocated maturity distribution schedules:
  - Investments
  - Borrowing
  - Shares
- Relocated 'Other Than Temporary Impairment (OTTI)' to Schedule B

# Schedule Updates

	New	Expanded	Updated	Relocated	Removed
<b>A</b>		<ul style="list-style-type: none"> <li>Separated Commercial and Consumer Real Estate Loans</li> </ul>	<ul style="list-style-type: none"> <li>Reduced and simplified Delinquency</li> <li>Aligned loan types for Charge-Offs and Delinquency</li> </ul>	<ul style="list-style-type: none"> <li>Loans, Delinquency, and Charge Offs to Schedule A</li> </ul>	<ul style="list-style-type: none"> <li>Removed the granularity of Troubled Debt Restructuring (TDR)</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>New investment classifications (Equity, AFS, HTM, and Trading Debt) to align with GAAP</li> </ul>	<ul style="list-style-type: none"> <li>Valuations (Amortized Cost and Fair Value) for AFS and HTM investments</li> </ul>		<ul style="list-style-type: none"> <li>Investments maturity distribution schedule from Statement of Financial Condition</li> <li>OTTI from Income Statement</li> </ul>	
<b>C</b>	<ul style="list-style-type: none"> <li>Off-Balance Sheet Exposures (Section 2) to inform RBC</li> </ul>	<ul style="list-style-type: none"> <li>Details of borrowing arrangements</li> </ul>		<ul style="list-style-type: none"> <li>Borrowing maturity distribution</li> </ul>	
<b>D</b>				<ul style="list-style-type: none"> <li>Share maturity distribution</li> <li>Additional share information</li> <li>NCUA Insured Savings Computation</li> </ul>	
<b>E</b>			<ul style="list-style-type: none"> <li>Grants</li> <li>Employees</li> <li>Branches</li> <li>International Remittances</li> <li>CUSOs</li> <li>Money Services Businesses</li> </ul>		
<b>F</b>	<ul style="list-style-type: none"> <li>Risk Based Capital Ratio and applicability</li> </ul>		<ul style="list-style-type: none"> <li>Reorganized the product listing</li> <li>Reduced the number of data points by removing Weighted Average Years to Maturity</li> </ul>		
<b>G</b>			<ul style="list-style-type: none"> <li>Complex credit unions continue to Schedule H</li> </ul>		

# Additional Notes

**Mortgage data is the most heavily used category that will be impacted by the Call Report changes.**

- Separating commercial vs 1-4 family residential mortgages.
- Prior to the 1Q22 changes, residential and commercial loans first mortgages were aggregated together.
- Commercial mortgages have been stripped out, and the new commercial breakdowns do not provide the same detail as residential.

# CCULR vs RBC – Which Is Right for My CU?

- Credit unions with **less than \$500 million in assets:**
  - Considered non-complex credit unions.
  - The regulatory capitalization rules for these credit unions remain unchanged.
- Credit unions with **more than \$500 million in assets:**
  - Considered complex credit unions.
  - Must choose between regulatory capitalization formulas — CCULR and RBC.

# Complex Credit Union Leverage Ratio (CCULR)

**“a simpler measure of capital adequacy for complex credit unions”**

## **Qualification Criteria:**

- A net worth ratio of 9% or greater.
- Off-balance sheet exposures of less than 25% of total assets.
- Trading assets and liabilities less than 5% of total assets.
- Goodwill and other intangible assets less than 2% of total assets.

# Meanwhile... RBC

- **CUs with more than \$500 million in assets ...**

- AND does not qualify for CCULR
- OR elects not to use the CCULR option,

...Must complete the more complex RBC schedule (p24-28)

- “Well-Capitalized” defined as credit unions using the CCULR method with an RBC ratio > 10%
- Complex credit unions are now allowed to issue secondary capital as subordinated debt and count this value toward their RBC calculation.
- *Secondary capital issuance was previously limited only to credit unions with a low-income designation.*



# Who Will Feel CCULR? (Potential Estimate)

**14% | 704** Credit Unions > \$500M Assets

**13.7% | 693** Trading Assets & Liabilities < 5% Total Assets

**9.7% | 493** Net Worth Ratio  $\geq$  9%

**13.9% | 703** Goodwill Other Intangible Assets < 2% Total Assets

TBD At Present: Off-Balance Sheet Exposures < 25% Total Assets

**9.6% | 486**  
Meet these four  
CCULR criteria  
based on current  
account definitions

# Credit Union Perspectives & Live Q&A

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