



**America's
Credit Unions**

October 21, 2024

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

FDTA-INTERAGENCY RULE
c/o Legal Division Docket Manager
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Chief Counsel's Office
Attention: Comment Processing
Office of Financial Research
Department of the Treasury
717 14th Street NW
Washington, DC 20220

RE: Financial Data Transparency Act Joint Standards

Dear Sirs and Madams:

On behalf of America's Credit Unions, we are writing in response to the noticed of proposed rulemaking (NPRM) jointly issued by the National Credit Union Administration (NCUA), Board of Governors of the Federal Reserve System (Board), and other federal financial regulators¹ (collectively, "Agencies") regarding the creation of joint data standards to promote interoperability of financial regulatory data. America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their over 140 million members nationwide.

The Financial Data Transparency Act (FDTA) requires the Agencies to promulgate joint data transmission standards and common identifiers, including a nonproprietary legal entity identifier. America's Credit Unions supports the principle that any common standards or identifiers adopted in a final rule should be open, nonproprietary and operate under a free or (in the case of a legal identifier) low-cost licensing regime. While we recognize that identification of joint standards will require promulgation of agency-specific rulemakings, we encourage the Agencies to avoid selecting standards that would complicate or undermine the NCUA's efforts to tailor its data collections, or cause significant disruption to credit unions.

¹ Other federal financial regulators joining the NPRM are the Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Consumer Financial Protection Bureau (CFPB), Federal Housing Finance Agency (FHA), Commodity Futures Trading Commission (CFTC), and Securities Exchange Commission (SEC).

General Comments

The Agencies seek comment on whether to establish specific taxonomies as joint standards. We recommend the agencies retain the current data taxonomies and schemas applicable to credit unions and refrain from altering current data standards which apply to the 5300 Call Report or 4501A Profile.²

Changes to the existing schema used for transmitting the 5300 Call Report are not necessary to achieve the FDTA's purpose of rendering data fully searchable and machine readable. In terms of promoting interoperability, legitimate differences between reports which account for the unique structure of credit unions can always be addressed through "interseries editing" post data collection.³ Similar reconciliation of data formatting differences can also be done after the fact, such as for elements like date and time, assuming the Agencies choose to adopt the ISO 8601 standard.

As member-owned cooperatives, credit unions may report data differently than other financial institutions due to their unique regulatory features. Federally insured credit unions have a different capital structure than banks, are unable to register as broker-dealers, do not issue publicly traded securities, and designate member ownership through specially named accounts (i.e., share accounts). Some differences in reporting may come down to timing. For example, differences between FR 2900 and Call Report items frequently result from the fact that the FR 2900 is usually prepared a day or two after the report as-of date, while the Call Report is typically prepared weeks after its as-of date.

The 5300 Call Report is tailored to meet the NCUA's needs as a functional regulator of credit unions. Altering schema, taxonomies, formatting and transmission standards to achieve conformity with other financial regulators, including those with minimal or no jurisdictional relationship to credit unions, would undermine the useability of credit union call reports without meaningfully improving data transparency.

We appreciate the Agencies acknowledgement of legitimate differences in call reports filed by credit unions and those of other institutions. In a footnote, the Agencies observe that "the NCUA maintains a distinct call report form and associated instructions for federally insured credit unions and would not utilize the FFIEC Call Report Taxonomy for data collection or sharing. The complete taxonomy is not germane to entities that are not required to file FFIEC Call Reports and it would therefore not be appropriate for any other Agency to use this taxonomy for other regulatory reporting without significant tailoring."⁴ Furthermore, section 5891(c) of the FDTA

² See e.g., NCUA, Regulatory Reporting, <https://ncua.gov/regulation-supervision/regulatory-reporting/cuonline#:~:text=Call%20Report%20Import%20File%20Test,Report%20Import%20File%20Test%20Utility%20..>

³ See e.g., Board of Governors of the Federal Reserve System, Summary of Legitimate Interseries Differences between the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900) and the Statement of Financial Condition (NCUA 5300), available at https://www.federalreserve.gov/reportforms/legitdifferences/LD_FR2900CU_201808.pdf.

⁴ Financial Data Transparency Act Joint Data Standards, 89 Fed. Reg. 67890, 67899 FN 53 (Aug. 22, 2024).

clarifies that nothing in the FDTA may be construed to prohibit an agency from tailoring the data standards it adopts in its Agency-specific rulemaking.⁵

Accounting and Reporting Taxonomies

To facilitate understanding of credit union data reporting in cases where multiple Agencies are involved, we recommend the NCUA coordinate with the Federal Reserve to educate supervisory staff about legitimate differences in reporting taxonomies. The Differences between the NCUA's 5300 Call Report and the Board's FR 2900 report result in differences in reported amounts, prompting queries from both agencies. Addressing these queries requires additional time and effort from the credit union to explain the differences, notwithstanding the availability of interseries documentation.⁶

To enhance clarity and efficiency, the NCUA and Board should explore solutions for automatically reconciling differences in data reporting where feasible, without necessarily changing the taxonomy of the 5300 Call Report. Agency hosted tools to facilitate automatic reconciliation of amounts would reduce discrepancies, provide clearer information for the agencies, and eliminate the need for the credit union to develop different logic for similar data. If the NCUA and Board believe that closer alignment of the 5300 Call Report and the FR 2900 requires fundamental changes to their respective data taxonomies, then those changes should be proposed in a separate, agency-specific rulemaking. However, any proposed changes should be designed to make reporting more efficient and less time-consuming for credit unions, and not merely proposed for the sake of harmonizing two distinct taxonomies that serve different purposes.

Conclusion

America's Credit Unions supports clear and transparent data standards, but legitimate differences in reporting that reflect the unique structure of credit unions must be recognized. The Agencies should prefer technical solutions to facilitate reconciliation of reported data as opposed to altering credit union specific taxonomies. We appreciate the opportunity to provide information in response to the NPRM. If you have any questions, please do not hesitate to contact me at 703-842-2266 or amorris@americascreditunions.org.

Sincerely,



Andrew Morris
Director, Innovation and Technology

⁵ Financial Stability Act of 2010, [12 U.S.C. 5334](#)

⁶ *Supra* note 3.