



CUNA Issue Summary

CREDIT UNION DATA COLLECTION INITIATIVES

ISSUE: In order to increase credit union transparency and make industry data more readily available to lawmakers and the public, the National Credit Union Administration's (NCUA) Outreach Task Force was announced in November 2006, following the release of the agency's Member Service Assessment Pilot Program (MSAP) on November 15, 2006. The [MSAP report](#) looked at issues relating to income distribution of credit union members and credit union executive compensation. The MSAP report's findings, which were based on data from 448 federal credit unions, indicated that federal credit unions serve those they were intended to according to the legislative history of the *Federal Credit Union Act*, namely men and women who work for a living. The report also concluded that overall, credit union executive compensation is appropriate.

The Member Service Assessment Pilot Program was conducted by NCUA in response to requests for data from the House Ways and Means Committee and the Government Accountability Office (GAO). The report sampled data from 448 randomly selected federally-chartered credit unions. Chief among the findings was that a sizeable majority of credit union members, 60%, have annual incomes of less than \$60,000, and that 82% earn less than \$75,000 a year. The report also found that credit unions are providing a broad range of services consistent with the diverse membership they serve; with 83% of credit unions offering share/checking accounts and ATM services free to members.

While NCUA's report presented an accurate picture of who federal credit unions are now serving, it made clear that credit unions could be even more inclusive in serving greater numbers of Americans of modest means. The report highlights the fact that traditional field of membership restrictions have generally inhibited credit unions' ability to reach out to greater numbers of underserved individuals and proposes legislative changes to address these restrictions. To view CUNA's detailed analysis of the MSAP, click [here](#).

The Ways and Means hearing also spawned a third report, delivered in 2006 by the Government Accountability Office, which concluded [sufficient data did not exist at the time to properly evaluate the extent to which credit unions serve those of modest means](#). The GAO report also stated that [federal credit union executive compensation was not transparent enough](#). Click [here](#) for CUNA's analysis of the GAO report's findings on credit union membership and executive compensation. Click [here](#) for CUNA's analysis of the GAO report's findings on NCUA's independence.

STATUS/OUTLOOK: The National Credit Union Administration (NCUA) Outreach Task Force, led by Board member Gigi Hyland, presented its [report](#) to the full Board on February 26, 2008. The task force's final report maintained that increased transparency of executive compensation would improve "accountability and be more consistent with the prevailing public policy."

In addition to senior executive officer compensation, the report carried recommendations in other areas: membership profile and financial services; low-income definition; and NCUA outreach. At the NCUA's Board meeting on May 22, 2008, two of the board members voted to go forward with the initiative recommended by the Outreach Task Force to analyze data through the Aries download that reports on membership profiles of federal credit unions. Beginning in January 2009, NCUA will start to look at this information and there will be a change in the 5300 report, a schedule of new services. There will be no access to individual credit union's information from third parties. NCUA intends to publish the information in the aggregate. This report will not be disclosing information on any individual credit union and will not be available until after January 2011. The Board did not discuss the senior executive compensation issues.

On April 29, 2008, CUNA President and CEO Dan Mica wrote a [letter](#) to the NCUA expressing CUNA views and concerns regarding the report issued by the agency's Outreach Task Force.

In 2009, NCUA began new membership data collection in its examinations of federal credit unions examinations using the Automated Integrated Regulatory Examination System (AIRES). Many credit unions have expressed to CUNA their own concerns about the data collection program, and it is CUNA's intention to recognize and honor their apprehensions. We will continue to carefully monitor the development of this program.

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