

**From:** NANCY OSTERMANN [<mailto:NANCY.OSTERMANN@suncoastcreditunion.com>]  
**Sent:** Thursday, August 04, 2016 10:46 AM  
**To:** \_Exam Flexibility Initiative <[ExamFlexibility@NCUA.GOV](mailto:ExamFlexibility@NCUA.GOV)>  
**Cc:** JULIE RENDEROS <[JULIE.RENDEROS@suncoastcreditunion.com](mailto:JULIE.RENDEROS@suncoastcreditunion.com)>; SHEILA CLINE <[SHEILA.CLINE@suncoastcreditunion.com](mailto:SHEILA.CLINE@suncoastcreditunion.com)>  
**Subject:** Suncoast Credit Union call report comment letter

The NCUA has requested comments from credit unions on which sections of the call report and profile are particularly challenging, what could be added to the report, which sections don't align with an institution's internal accounting, and whether the call report should be reorganized. Suncoast Credit Union has taken this opportunity to reply and have included suggestions below for your consideration.

#### **More Details in Instructions**

When completing the Call Report, there are instructions for many line items. For other line items, the instructions are devoid of any instructions or do not have substantive detail which would be helpful to a preparer. In addition, it is felt that more precise instructions would make it easier for credit unions to more accurately report their positions and the reporting would be more uniform. For example, for the Profile instructions for CUSO services, some of the services do not include any definition at all. Another example is Grant Information, which does not include a definition for the grants that are listed.

**Recommendation for change:** Include detailed explanations for all line items, as well as examples in the instructions to assist preparers and make reporting more uniform.

#### **Help desk responses**

A Help Desk is provided to assist with questions by email when preparing the Call Report. Emails sent to the help desk can take several days to receive a response. On several occasions, numerous emails were required to receive a response.

**Recommendation for change:** An auto generated response when a help desk email is received by the NCUA would assure the requester that the email was received. Also a 24 to 48 hour turnaround on questions would be very helpful in preparing the Call Report.

#### **Warning notices**

Warning notices are in place in the Call Report to assist with reviewing possible input errors before filing the report. The warning notices are generic for all credit unions, regardless of their size and are generally not applicable or helpful to large credit unions such as Suncoast, with assets of \$7.5 billion. For example, we always receive a warning that we have over 1,000 employees. We have had over 1,000 employees for many years so this warning is bypassed. Another constant warning is that our balances for cash on deposit in other financial institutions have increased or decreased by \$1,000,000. This variance would be normal for a Credit Union of our size, so this warning is not helpful and is continually bypassed.

**Recommendation for change:** Warning notices that could be generated based on the asset size of the credit union would be a better indicator that an input error has been made than the standard generic warnings.

#### **Profile updating**

When updating or completing the Profile, once data input has been started, the Profile must be certified or all input is lost.

**Recommendation for change:** The ability to save the Profile data at any point of input would allow it to be completed at a later time.

**Business Loans (Specialized Lending, Schedule A, page 15)**

As defined by the instructions, *"a member business loan generally includes any loan, line of credit, or letter of credit (including unfunded commitments) where the borrower uses the proceeds for commercial, corporate, or other business investment property or venture or agricultural purposes."* However, there are also exceptions that would eliminate the need to report a business loan such as *"Loan(s) to a member or an associated member, which, when the net member business loan balances are added together, are equal to less than \$50,000."* Any single loan or combination of loans per business member under \$50,000 is excluded from the Call Report. As a result, this requires a *manual* review of each individual business loan in our portfolio to determine if it meets this threshold and qualifies to be reported. We currently do not have any indicators within our core system to flag loans so a report could be systematically generated rather than calculated manually.

**Recommendation for change:** Remove the \$50,000 threshold so that all business loans (regardless of amount) would be reported. Also, rather than reporting the unfunded commitment with the loan balance, report the outstanding balance, which would be consistent with the treatment of other line of credit loans. Efficiency could be gained by being able to use the system generated reports also used for internal reporting for the preparation of the Business Loan section of the Call Report.

**Loans Granted Year to Date (Statement of Financial Condition page 2, line 34)**

According to the instructions for "Loans Granted Year to Date" line 34, it indicates *"for the number of loans, count each line of credit as a single loan granted if one or more advances were made on that line year-to-date, even if it is an existing line of credit approved in a previous year."* It is burdensome to track the number of each advance drawn from a line of credit loan.

**Recommendation for change:** For reporting the number of loans, if an advance is drawn from a line of credit loan, only report the loan at the time of the first drawdown and eliminate the requirement to report subsequent draws.

Suncoast Credit Union appreciates this opportunity to share with the NCUA these Call Report suggestions which we believe will create efficiencies for Credit Unions by reducing the preparation time, as well as consistency in reporting.

Sincerely,

Nancy Ostermann

Vice President & Controller

Suncoast Credit Union

6801 E Hillsborough Ave | ACG 005 | Tampa, FL 33610

phone 813.621.7511 ext. 88248 | fax 813.635.8973

[SuncoastCreditUnion.com](http://SuncoastCreditUnion.com) | [facebook](#) | [twitter](#)  
[Nancy.Ostermann@suncoastcreditunion.com](mailto:Nancy.Ostermann@suncoastcreditunion.com)

---

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of this information by persons or entities other than the intended recipient(s) is unauthorized and prohibited. Any transmission of confidential and/or privileged material to persons or entities other than the intended recipient(s) shall not be construed as a waiver of any privilege or confidence. If you receive this transmission in error, please contact the sender and delete the material.

