
Big changes for credit union financial reporting in Q1'22

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Credit unions are facing hundreds of changes to their financial reporting in the first quarter of 2022, as a call report restructured by the National Credit Union Administration takes effect.

Among a host of other changes effective March 31, the NCUA added new reporting categories for loans and leases, delinquent loans, and loan losses. Credit unions also will have to report borrowing arrangements and borrowing maturity distribution for the first time, restructuring the liquidity on their balance sheets.

The NCUA now is also requiring CUs to report complex credit union leverage ratio calculations. This ratio provides "complex" credit unions — those with more than \$500 million in assets — with a streamlined framework to manage capital if they maintain a minimum net worth level and meet other qualifying criteria.

Credit union trade associations were apprehensive about the timing of the project, following NCUA's request for comments in September 2021.

"Although credit unions were generally accepting of the call report changes, there were understandable concerns with the short runway to make the required changes prior to implementation," the National Association of Federally-Insured Credit Unions told S&P Global Market Intelligence in a statement.

"While NAFCU appreciates the educational tools provided by the NCUA on this topic, we continue to monitor member feedback and urge the NCUA to give credit unions more timely updates on any potential changes moving forward," the group said.

Number of line items restructured in updated 5300

Status of the line item	Number of fields changed
New	495
New - replacement	115
Relocate	384
Retire	563
Retire & replaced	96



New = data not previously collected

New - replacement = data previously not collected, but replaces a retired line item as the data characteristics or definition changed

Relocation = data is relocated to a new section, page or schedule

Retire = line item is retired and the National Credit Union Administration will discontinue collecting the data

Retire & replaced = line item is retired and NCUA will collect similar data under a new replacement line item due to changes in the data characteristics or definition

Changes in fillable line items for credit unions

	Number of institutions	Total assets (\$B)	Number of fillable line items starting Q1'22	Change in fillable line items (%)*
Credit unions with total assets of \$500 million or less	4,306	346.69	750	-18
Credit unions with total assets greater than \$500 million	702	1,735.04	Electing the CCULR framework	-16
			Not electing the CCULR framework	-8

Data compiled March 31, 2022.

CCULR = complex credit union leverage ratio

Analysis limited to credit unions filing call report 5300 as of Dec. 31, 2021.

* Change in fillable line items is calculated as difference between total line items filled by credit unions as of Dec. 31, 2021 and the new 5300 report updates.

Sources: S&P Global Market Intelligence; National Credit Union Administration

According to the NCUA, the previous call report from December 2021 had five schedules, A through E. The March 2022 report has eight schedules, A through I. As examples of the changes, new schedules F and G call for information on derivatives and net worth calculations.

The updated Form 5300 contains 495 completely new fields, according to NCUA data. The report has 115 new fields that serve as replacements for existing ones. The agency relocated 384 fields and retired 563 fields in the new report. Finally, the NCUA retired and replaced 96 fields.

Although the project added significant amounts of reporting, the NCUA also made efforts to simplify that reporting. As one example, the new form reduces the number of line items that credit unions would have to fill out.

For credit unions with total assets of \$500 million and less, the March 2022 call report has 918 accounts. Of those, 750 are fillable by the credit union and 168 are calculated by a function provided by the NCUA called "CUOnline." This represents an 18% reduction in fillable accounts.

For credit unions with more than \$500 million in assets, the number of fillable accounts depends on whether the credit union has elected the framework available to CUs that use the complex credit union ratio. For those that make the election, fillable accounts are 769, a drop of 16%.

However, complex CUs that don't elect the framework will have 843 fillable accounts for a drop of 8%, the NCUA said.

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