



BILLING CODE 7535-01

NATIONAL CREDIT UNION ADMINISTRATION

Agency Information Collection Activities: Proposed Collection; Comment Request; Leasing

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notice and request for comment.

SUMMARY: The National Credit Union Administration (NCUA), as part of a continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on the following extension request of currently approved collection, as required by the Paperwork Reduction Act of 1995.

DATES: Written comments should be received on or before **[INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]** to be assured consideration.

ADDRESSES: Interested persons are invited to submit written comments on the information collections to Dawn Wolfgang, National Credit Union Administration, 1775 Duke Street, Suite

5067, Alexandria, Virginia 22314; Fax No. 703-519-8579; or E-mail at
PRAComments@NCUA.gov

FOR FURTHER INFORMATION CONTACT: Requests for additional information should
be directed to the address above.

SUPPLEMENTARY INFORMATION:

OMB Number: 3133-0151.

Title: Leasing, 12 CFR Part 714.

Abstract: Section 714.5 of NCUA's Regulations requires a federal credit union engaged in leasing to obtain or have on file financial documentation demonstrating that the guarantor of an estimated residual value has the resources to meet the guarantee.

Estimated residual value is the projected future value of leased property at lease end. The accuracy of the estimated residual values used in a lease program is a fundamental element in the success or failure of a lease program. The higher the estimated residual values used by a federal credit union, the greater the potential for loss. To mitigate this risk, the leasing rule requires that if the amount of the estimated residual value relied on by the federal credit union to satisfy the full payout lease requirement exceeds 25 percent of the original cost of the leased property, the credit union must obtain a guarantee of the excess from a financially capable party.

If the guarantor cannot meet its guarantee, a federal credit union may suffer serious financial loss. Accordingly, it is important that a federal credit union documents that a guarantor has the financial resources and capability to meet the guarantee. If the guarantor is an insurance company, the federal credit union may satisfy this record keeping requirement by obtaining and maintaining information demonstrating that the insurance company has a rating equivalent to a B+ or better from a major rating company.

Type of Review: Extension of a previously approved collection.

Affected Public: Private Sector: Not-for-profit institutions.

Estimated No. of Respondents: 68.

Estimated Annual Frequency: 5.

Estimated Annual No. of Responses: 340.

Estimated Burden Hours per Respondent: 2.

Estimated Total Annual Burden Hours: 680.

An adjustment is due to the increase in the number of credit unions that offer leasing products, resulting in an increase in burden.

REQUEST FOR COMMENTS: Comments submitted in response to this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will become a matter of public record. The public is invited to submit comments concerning: (a) whether the collection of information is necessary for the proper execution of the function of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and

clarity of the information to be collected; and (d) ways to minimize the burden of the collection of the information on the respondents, including the use of automated collection techniques or other forms of information technology.

By Gerard Poliquin, Secretary of the Board, the National Credit Union Administration,
on January 19, 2017.

Dated: January 19, 2017

Dawn D. Wolfgang

NCUA PRA Clearance Officer

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