



DCU BULLETIN

Division of Credit Unions

Washington State Department of Financial Institutions

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Call Reports

The Division of Credit Unions (DCU) is alarmed over the increase in inaccurate and late Call Reports. These two problems create serious concerns for both the DCU and NCUA.

State-chartered credit unions are required to submit 5300 Call Reports to the DCU on a semi-annual basis, or quarterly if asset size is over \$50 million. DCU uses Call Reports for off-site analysis, and must forward them to NCUA within a week.

Timely Receipt

When we mail 5300 diskettes and Call Report instructions to you, a deadline date is included in the cover letter. This is the date Call Reports must be received by DCU. This is not a postmark date deadline.

This timeframe gives in-house data processing credit unions more than 20 days to complete the quarter-end process. On-line data processing vendors typically produce financials and make them available within one business day. Credit unions should therefore have ample time to complete the Call Reports in a timely fashion.

Accuracy

Credit union reporting errors are increasing significantly in the initial Call Report filing. As a result, we are now **requiring that each credit union**

print a copy of the warnings found in the error check function of the 5300 Call Report program. Credit union CEOs must initial the warning list to show that the conditions prompting the warning message have been reviewed for accuracy by the credit union and forward the warning list to DCU with the completed Call Report.

As always, you must **also mail a hard copy** of the completed Call Report with the 5300 data diskette. The Credit union CEO must sign the report, as required by the form, certifying its accuracy. DCU will no longer accept Reports without a CEO signature.

DCU analyzes the information you provide in the Call Reports for various safety and soundness concerns. DCU will also be analyzing your Call Reports to monitor your net worth category upon implementation of NCUA's Prompt Corrective Action (PCA) rules. It is extremely important that the reported data be timely and accurate.

Ramification

Beginning immediately, DCU will inform credit union presidents/CEOs of late or erroneous Call Report filings. DCU may factor recurring problems into the management component of the CAMEL rating upon examination. You should also be aware that NCUA currently has the authority to assess monetary penalties, and DCU may also instigate that sanction for chronic offenders.

DCU is presently considering extending the exam cycle for well-capitalized, well-run credit unions. Recurring Call Report problems may preclude a credit union from eligibility for an extended exam cycle.

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DCU is currently exploring the possibility of hosting a Call Report software training session for credit union staff. In the meantime, if you have Call Report questions or training needs, please contact Mike Delimont at 360-902-8790 or Sue Graham at 360-902-8816.