

November 14, 2024

RE: Public Comment on NCUA Profile Revisions (OMB Number: 3133-0204).

Dear NCUA Review Committee,

On behalf of the Community Financial Credit Union entire team, I want to thank you for the opportunity to submit comments on the proposed revisions to the NCUA Profile (Form 4501A). While we understand and support the intent to streamline credit union supervision, we respectfully submit the following feedback and recommendations to enhance practical utility, minimize burdens, and ensure data security and confidentiality for federally insured credit unions.

- **Information Technology and Payment Systems Updates:** The requirement to report planned operational changes up to 24 months in advance could create speculative reporting, particularly as unforeseen market shifts may force credit unions to adjust these plans. Also, requiring early disclosure of specific vendor data could compromise credit unions' competitive positions, which is a detriment to our negotiation strategies. Instead, consider allowing credit unions to report significant IT and payment system changes within a shorter timeframe, ideally 6-12 months, aligned with actual operational planning and implementation cycles. Additionally, ensure that sensitive vendor information is kept strictly non-public and consider alternative methods for tracking IT service providers that do not require disclosure in this form.
- **Merger Partner Registry Tab:** While the proposed addition aims to support Minority Depository Institutions (MDIs) by connecting them with potential merger partners, there are notable concerns to consider. First, requiring MDIs to indicate merger interest may compromise their autonomy, as it could be perceived as pressure from regulators to consolidate, even if they wish to remain independent. Additionally, collecting and monitoring this information risks exposing MDIs to unsolicited merger offers or creating a perception of vulnerability. Finally, frequent consolidation of MDIs could inadvertently reduce competition and diversity in the MDI landscape, potentially weakening the unique services and benefits each institution provides to its local community. Although we understand the intent, we oppose its implementation.
- **Pre-exam Collection Practices:** Whenever possible, please limit AML system disclosures to a scheduled examination where contextual risk assessments are open for clarification and discussion. If pre-collection is deemed critical, consider annual notice rather than quarterly to align with risk-based practices.
- **The "Sites" Tab Updates:** Currently has only three categories in its drop-down menu: one to signify open and active, and two describing temporary closures. We suggest adding another category that would allow for different scenarios. For example, our credit union has a closed location that we are in the process of selling, but there is no adequate descriptor to signify its status. This could lead to a misrepresentation of the information provided to the NCUA.



Community Financial Credit Union urges the NCUA to continue working collaboratively with credit unions to establish effective, reasonable, and secure oversight mechanisms. Simplified and streamlined data collection methods will allow credit unions to focus on our primary mission of serving members while minimizing rework burdens and providing often duplicative information to the NCUA and our state's team of examiners. We appreciate the NCUA's dedication to a transparent regulatory process and look forward to continued dialogue on enhancing supervisory efficiency and data security.

Thank you for considering my comments.

With abundant gratitude,

A handwritten signature in black ink, appearing to read "Tansley Stearns". The signature is fluid and cursive, with a large initial "T" and a stylized "S".

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