

ACTION: Office of Government Information Services (OGIS) annual open meeting.

SUMMARY: We are announcing OGIS's annual meeting, open to the public. The purpose of the meeting is to discuss OGIS's reviews and reports and allow interested people to appear and present oral or written statements, in accordance with the Freedom of Information Act (FOIA). **DATES:** The meeting will be on Monday, July 20, 2020, from 10:00 a.m. to 12:00 p.m. EDT. Please register no later than 11:59 p.m. EDT on Thursday, July 16, 2020.

ADDRESSES: This meeting will be held virtually due to the COVID-19 situation. We will email instructions on how to access the meeting to those who register according to instructions below.

FOR FURTHER INFORMATION CONTACT: Kirsten Mitchell by email at ogisopenmeeting@nara.gov or by telephone at 202.741.5770.

SUPPLEMENTARY INFORMATION: *OGIS's 2020 Report for Fiscal Year 2019*, published during Sunshine Week (March 15–21, 2020), summarizes OGIS's work, in accordance with FOIA, 5 U.S.C. 552(h)(4)(A). We will post meeting materials online at <https://archives.gov/ogis/outreach-events/annual-public-meeting>. You are invited to present oral or written statements at the meeting, in accordance with the FOIA at 5 U.S.C. 552(h)(6). You may submit written statements or questions for OGIS to consider before the meeting by emailing ogisopenmeeting@nara.gov. We will not answer questions about specific OGIS cases.

Procedures: This virtual meeting is open to the public. You must register through Eventbrite, <https://ogis-annual-open-meeting-2020.eventbrite.com>, if you wish to attend, and you must provide an email address so that we can provide you with access instructions for the online meeting. To request accommodations (e.g., a transcript), email ogis@nara.gov or call 202.741.5770. Members of the media who wish to register, those who are unable to register online, and those who require special accommodations, should contact Kirsten Mitchell (contact information listed above).

Kimberly Keravouri,
Federal Register Liaison.

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NATIONAL CREDIT UNION ADMINISTRATION

Strategies for Future Examination and Supervision Utilizing Digital Technology

AGENCY: National Credit Union Administration.

ACTION: Request for information (RFI).

SUMMARY: The National Credit Union Administration (NCUA) is conducting a comprehensive study of alternative procedures to modernize the agency's examination program. The objective of modernizing is to improve efficiency and effectiveness in achieving the NCUA's mandates under the Federal Credit Union Act. The agency seeks to support a predominately offsite examination and supervision model by taking advantage of new and emerging approaches and techniques to utilizing data and technology.

Through modernization, the NCUA intends to:

- Reduce burden on credit unions and increase agency efficiency by reducing onsite examination time;
- Improve offsite supervision capabilities;
- Provide more consistency and standardization for the examination and supervision process;
- Improve communication between examiners, credit unions, and state supervisory authorities; and
- Explore and evaluate technology utilization and appetite for adoption.

The NCUA is using this RFI as a research tool in its modernization efforts. Specifically, this RFI explains the NCUA's objectives and seeks assistance identifying the interrelated considerations and challenges that could arise if the agency moves forward with doing more examination work using technology. The resulting information will support a re-engineering of the concept of regulatory examination and supervision oversight.

Recent events, such as the COVID-19 pandemic, have shown that adopting modern technology helps make credit unions more resilient to economic shocks. In turn, a credit union's resiliency has a positive impact on its member-owners and the economy at-large. Further, the current social unrest in the United States has exposed the limited financial options available to many minorities and underserved areas. This modernization effort could reduce the regulatory burden and establish technology options that would make it easier for credit unions to provide services to these underserved communities and populations.

The NCUA seeks public input on its modernization initiative and is eager for feedback from interested stakeholders. The NCUA will use stakeholder responses to:

- Refine a strategy for leveraging technology in the future examination and supervision process;
- Determine how much onsite examination activity would still be required with an examination primarily done offsite; and
- Develop an implementation strategy that reduces burden while maintaining the agency's ability to determine whether federally insured credit unions are operating safely and soundly and in compliance with applicable laws and regulations.

In addition to this RFI, the agency may seek clearance from the Office of Management and Budget to conduct stakeholder calls and form focus groups to gather additional information about barriers and benefits to the modernization initiative. The NCUA invites interested parties to respond generally to this modernization initiative and specifically to the questions included in this RFI.

DATES: Comments must be received on or before August 31, 2020.

ADDRESSES: Comments may be submitted using *one* of the methods below (Please do not send comments via multiple methods). Include “[Your name and company name (if any)]—Strategies for Future Examination and Supervision utilizing Digital Technology” in all correspondence.

- **Email:** exammodernization@ncua.gov. Include “[Your name] Comments on Strategies for Future Examination and Supervision utilizing Digital Technology” in the email subject line. Acceptable formats: HTML, ASCII, Word, RTF, or PDF.

- **Mail:** Heather Phelps, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314.

The NCUA will post all comments received by August 31, 2020 on ncua.gov without alteration or redaction. Commenters should not include information they do not wish to be made public (for example, personal or confidential business information). Marketing materials and spam will be discarded without publication.

FOR FURTHER INFORMATION CONTACT: Heather Phelps, Program Analysis Officer for Virtual Examination Studies, Office of Examination and Insurance, at 1775 Duke Street, Alexandria, VA 22314 or (703) 380–2756. Media inquiries should be directed to the NCUA Office of External Affairs Communication at OEACmail@ncua.gov.

SUPPLEMENTARY INFORMATION:**Background**

Examiners from the NCUA and the states have historically conducted annual (or 18-month) onsite examinations of federally insured credit unions, scheduling onsite supervision contacts throughout the year as warranted. During an onsite visit, agency examiners gather information, conduct analysis, review documents and controls, hold meetings, develop recommendations, and deliver a final report to a credit union's board of directors.

During an examination, credit unions provide data from multiple sources and in multiple formats. Collectively, this data provides examiners with essential information used to evaluate risks in federally insured credit unions, and are integral to risk supervision. Likewise, risk supervision is central to safeguarding the National Credit Union Share Insurance Fund. Before 1995, the NCUA collected data from credit unions in written format. In 1995, the agency initiated its first electronic data collection program, and encouraged federally insured credit unions to provide member data to examiners electronically. (See NCUA Letter to Credit Unions 95-CU-179, AIREX Examination Program, issued September 1995.) Over time, as examinations and technology progressed, credit unions began providing examiners additional information electronically.

In May 2016, the NCUA Board established the Exam Flexibility Initiative internal working group to evaluate the agency's examination and supervision program. This working group sought input from credit unions and others to obtain opinions and advice regarding the existing examination and supervision program. In late 2016, this working group provided the NCUA Board with ten recommendations to consider. One of these recommendations encouraged the

agency to evaluate alternative approaches to our current examination program by seeking ways to reduce our onsite presence.

Consistent with the NCUA Board promoting modernizing the examination program and reducing our onsite presence, the Flexible Examination Program, commonly referred to as FLEX, was piloted in 2017 to assess examiners' ability to work remotely on elements of examinations of well-run credit unions that have appropriate technology and platforms to securely provide electronic data. On average, examiners were able to reduce their time onsite by 30 percent. One of the issues noted during the FLEX pilot was the need for a secure file transfer portal to support the transmission of data remotely and securely. The agency deployed a secure file transfer portal in July 2018.

However, most of the review of credit union information and data is still conducted onsite.

In November 2017, the NCUA Board approved funding for virtual examination exploration and research and, in 2018, the Virtual Examination Program was established. The Virtual Examination Program is part of a series of interrelated programs to transform the agency's operations to meet core mission objectives. Currently, the Program is in the research and discovery phase. During this phase, the team is researching ways the agency can harness new and emerging data, assess advancements in analytical techniques, and utilize innovative technologies. Additionally, the team is identifying ways to improve its supervisory approach and to move to a more virtual-based examination model in the next five to ten years.

In response to the recent COVID-19 Pandemic, the agency moved to an offsite posture in March 2020. During this time, for credit unions that were able, examiners worked with credit union staff to facilitate the secure

exchange of information needed to conduct offsite examination and supervision functions. Examiners were able to successfully perform many elements of the examination program that would otherwise have been performed onsite at the credit union.

In support of the ongoing examination modernization initiatives, the NCUA anticipates adopting an examination model that enables examiners to review a credit union's operational and financial condition from an alternate worksite, such as a home office. In addition to reviewing data offsite, the agency is looking for innovative methods to augment the agency's evaluation of a credit union's financial and operational condition.

Context

The credit union industry is dynamic, with federally insured credit unions growing larger and more complex each year. The NCUA must ensure its examination approach evolves with industry practices and technological advances to:

- Evaluate all material risk exposures and compliance matters fully;
- Leverage new data and analytical techniques to achieve desired supervisory outcomes efficiently and effectively;
- Optimize the benefits of utilizing technology for examinations without increasing the risk to the safety and soundness of the credit union system; and
- Minimize the burden on supervised institutions.

Increasing complexity, a desire for more effective supervision, and evolving technologies necessitate a review of the agency's current examination process. Table One illustrates the evolution of the federally insured credit unions over the last 15 years. While the number of institutions has declined, credit unions overall continue to grow in assets, loans, shares, membership, and complexity.

TABLE ONE—15-YEAR FEDERALLY INSURED CREDIT UNION TRENDS

	12/31/2005	12/31/2019	% Change
# Federally Insured Credit Unions	8,695	5,236	(39.78%).
Total Assets	\$678.98B	\$1,566.91B	130.77%.
Total Loans	\$458.56B	\$1,107.99B	141.62%.
Real Estate Loans ¹	\$218.42B	\$557.98B	155.46%.
% CU involved in RE	68.8%	76.1%	10.56%.
Auto Loans	\$170.56 B	\$375.11 B	119.93%.
% CU involved in Auto	96.2%	97.2%	1.08%.
Indirect Loans	\$64.82B	\$228.13B	251.94%.
% CUs involved in IL	19.9%	35.8%	80.28%.
Commercial/MBL	\$16.31B	\$81.85B	401.84%.
% CU involved in MBL	21.5%	34.9%	62.59%.
Credit Cards	\$23.91 B	\$66.03 B	176.16%.
% CU involved in CC	50.6%	62.5%	23.51%.
Participation Loans	\$7.49B	\$41.15B	449.40%.

TABLE ONE—15-YEAR FEDERALLY INSURED CREDIT UNION TRENDS—Continued

	12/31/2005	12/31/2019	% Change
% CU involved in PL	13.7%	36.3%	166.09%.
Student Loans ²	Not collected	\$5.47B	Not available.
% CU involved in SL	Not available	13.2%	Not available.
Total Shares	\$577.42B	\$1,319.75B	138.02%.
Average Assets	\$78.06M	\$299.22M	283.32%.
Median Assets	\$11.95M	\$35.19M	194.48%.
# Loans	42.47M	70.71M	66.49%.
# Shares Accounts	149.22M	223.0M	55.48%.
# Members	84.5M	120.39M	42.47%.

¹ Total real estate loans includes commercial/member business loans secured by real estate.

² Non-federally guaranteed student loans as reported on the 5300 Call Report. The NCUA began collecting this information with the March 31, 2011 Call Report. Credit unions reported a total of \$1.02B non-federally guaranteed student loans as of March 31, 2011. Since then, these loans have increased 536%.

Today, examiners request documentation and data electronically. Documents requested typically include policies, board minutes, budgets, business plans, audits, accounting records, and various reports. Data requests typically relate to loans, shares, and investment portfolios. The level of information requested has increased due to the increased range of products and services most credit unions provide.

The agency recognizes that advances in technology may enable new practices or approaches that would achieve the objectives more efficiently or effectively and reduce the supervision burden for credit unions. Technological advances and modern approaches to examinations, including offsite examination procedures, may enhance the examination experience for both credit unions and examiners, while supporting the NCUA's mission of ensuring the safety and soundness of the credit union community.

We also anticipate that moving offsite could save credit union resources—such as staff time, money spent on manually preparing examination materials, among others. Given the history of credit unions, we anticipate that the savings to the credit union would be passed on to members in the form of dividends, improved services or that credit unions will use these resources to expand their reach to new members. We would hope many of these new members would be those who are currently not in the mainstream financial system.

Through existing modernization efforts, the NCUA has improved the loan and deposit portfolio analysis tools examiners use to support a more consistent analysis of risk within and across institutions in order to mitigate losses to the National Credit Union Share Insurance Fund. The NCUA is also replacing legacy systems and developing a central user interface to help credit unions and examiners communicate and share documents. The

agency hopes to use its new systems to aid the examination process by using vendors for analytics and reporting. This will also provide the groundwork for exploration of future examination and supervision using technology.

Request for Comment

The questions identified below are intended to prompt suggestions to inform the agency's development of an examination program that benefits all parties. The questions are not intended to limit discussion; responders may explore any issue relevant to this examination initiative. Commenters are also invited to report any concerns, issues, or comments they have regarding the program.

Responses that contain references to studies, research, or data not widely available to the public should include copies of referenced materials. When responding, please provide a description of the commenter's organization and its interest in this concept to help the NCUA use the feedback for the future examination model.

Questions for Future Examination and Supervision Utilizing Digital Technology

1. What capabilities can federally insured credit unions adopt to facilitate the NCUA's transition toward more offsite exam work?

2. What capabilities do you recommend the NCUA adopt to be able to conduct more examination work offsite?

3. How would such offsite capabilities increase the efficiency and effectiveness of the exam and supervision process from the credit union perspective?

4. Do you think the NCUA can do significantly more offsite work without compromising its safety and soundness responsibilities?

5. What credit union data can be provided to examiners to facilitate more

offsite supervision and reduce time onsite during the examination?

6. What credit union data is currently provided to other parties that NCUA could potentially leverage to reduce the burden on credit unions? To ease the administrative burden, should the NCUA ask third party service providers for data on credit unions directly?

7. Are credit unions moving from a physical presence in member services to more reliance on digital or mobile banking platforms? How should the examination program evolve to accommodate these changes?

8. What other methodologies or approaches should NCUA include in this exam study?

9. Would credit unions benefit from more clarity and consistency on the timing and types of documents and data examiners need to conduct examinations?

10. Would it be easier or less burdensome for credit unions to provide documents and data to the NCUA on a more scheduled, flow basis throughout the year so the time spent onsite would be more efficient and the majority of the examination/supervision could primarily be conducted offsite? If this process could lead to more frequent/offsite contacts using technology and reduce the time and frequency of full-scope onsite examinations, do you think this would be an improvement and/or less burdensome than the current examination process or cause more disruption?

11. What do you see as the most significant challenges facing the NCUA's move to an offsite examination/supervision model that utilizes technology?

12. What difficulties do you foresee with moving to a future examination model for federal and state chartered credit unions? How could we better coordinate with the states in this approach?

13. What concerns do you have, if any, about a diminished NCUA onsite presence, and can these be mitigated?

14. What impact, positive or negative, do you anticipate this future examination program strategy will have on your credit union and its operation?

15. Will moving offsite create any noticeable change in credit unions' ability to provide services to members, particularly during major disruptions, like pandemics?

16. Are there resiliency tests that can be performed by examiners offsite that could not be performed when examiners are onsite? If so, please detail them.

17. If rebuilding the examination process from scratch, how might you redesign what is currently done today in order to reduce the burden on credit unions and/or minimize time that examiners need to be onsite at credit unions?

18. What new or emerging technologies could enable the NCUA to examine a credit union with less time onsite?

19. Are video and telecommunications capabilities sufficient to maintain good lines of communication between examiners and credit union management and officials with reduced in-person meeting opportunities? What other methods of communication or communication protocols would support quality communications between the credit union and examination staff?

20. What types of artificial intelligence and/or machine learning techniques are you currently using or anticipate using?

21. Does the NCUA have regulations/policies that are sufficiently flexible to allow you to leverage various technological advances such as artificial intelligence, machine learning, process robotics, Fintech, Regtech, and Suptech etc.?

22. Do the current regulations/policies create unnecessary hurdles or burdens with respect to adopting technology? Are there ways we can update our regulations/policies to help facilitate a greater use of technology?

23. Do you feel comfortable using the NCUA's secure file transfer portal as a means to transfer data electronically, including personally identifiable information and confidential credit union data, to NCUA staff? If not, please provide details regarding your concerns and recommendations on ways the NCUA could mitigate these concerns.

24. What issues are unique to smaller institutions regarding the use and implementation of innovative products, services, or processes that the NCUA should consider? Additionally, by

moving to an offsite exam posture, will this negatively affect small credit unions that may not have the technology required to transmit requested documentation? Are you exploring any types of services, products or technologies to offer to your members in the future?

25. With respect to the future examination model, should the NCUA consider alternative exam approaches for smaller credit unions?

26. Are there better ways for the NCUA to support your financial inclusion and financial education mission through the use of technology? Additionally, are there better ways for the NCUA to use technology to help low-income designated credit unions and minority depository institutions to better serve their members?

27. Do you feel there are circumstances that would disqualify or preclude a credit union from participating in this examination model where the majority of work is completed offsite?

28. What documentation and measures should be collected and used to assess a credit union's financial education efforts or programs?

29. Are there better ways for the NCUA to receive important contextual information regarding how you serve the low-income, underserved, and unbanked communities in your field of membership?

30. What baseline data protection and privacy safeguards would enable credit unions to comply with consumer protection statutes and federal/state law when sharing data for remote examinations?

31. How could an offsite posture affect the oversight of consumer financial protection and BSA/anti-money laundering laws and regulations at your credit union? What changes should the NCUA make to address your concerns?

32. All technology is coupled with internal and external security risks. As credit unions remain diligent in addressing these risks, what can the NCUA do to support credit unions' security posture?

33. What cybersecurity challenges do you see with the NCUA moving to this future examination model?

34. Are there digital banking activities or issues that are not covered by this RFI that the NCUA should address?

35. In response to the pandemic, the NCUA moved to an offsite posture. Did you participate in an exam during this time?

a. From your perspective, what has worked well?

b. What exam steps could continue to be completed offsite after we return to an onsite posture?

c. Were there parts of the exam, during the offsite posture that did not work well?

36. Are there issues the NCUA should consider in light of changes in the banking system that have occurred in response to the COVID-19 pandemic?

Commenters are also encouraged to discuss any other relevant issues they believe the NCUA should consider with respect to this examination study.

By the National Credit Union Administration Board on June 25, 2020.

Gerard Poliquin,

Secretary of the Board.

[FR Doc. 2020-14129 Filed 6-30-20; 8:45 am]

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NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Humanities

Agency Information Collection Request; 30-Day Public Comment Request

AGENCY: National Endowment for the Humanities; National Foundation on the Arts and the Humanities.

ACTION: Notice; request for comments.

SUMMARY: The National Endowment for the Humanities (NEH) is seeking Office of Management and Budget (OMB) approval for the information collection described below. In accordance with the Paperwork Reduction Act of 1995, NEH is requesting comments from all interested individuals and organizations on this proposed collection.

DATES: Please submit comments by July 31, 2020.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT: Mr. Timothy Carrigan, Chief Funding Opportunity Officer, Office of Grant Management, National Endowment for the Humanities: 400 Seventh Street SW, Washington, DC 20506, or tcarrigan@neh.gov; or 202-606-8377.

SUPPLEMENTARY INFORMATION: NEH first published notice of its intent to seek OMB approval for this information