

ITEMS NEEDED FOR CREDIT UNION EXAMINATIONS



NOTES

1. The balance sheet date for this examination will be determined. Once the date is known, the examiner in charge will contact you to let you know.
2. The balance sheet date for the prior examination was _____.
3. The credit union may provide the following items in either paper or electronic form. If the credit union provides the examiner with access to its data processing system in order to view information (such as detailed transaction histories in general ledger accounts or in members' share and loan accounts), this should be "read only" access and should include the ability to print out information.

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PLEASE HAVE THE FOLLOWING ITEMS AVAILABLE FOR THE EXAMINER TO REVIEW WHEN THE ON-SITE PHASE OF OUR EXAMINATION BEGINS.

CORPORATE GOVERNANCE

1. Current bylaws, including the definition of the credit union's field of membership
2. Operating policies and procedures, such as those addressing:
 - a. Shares
 - b. Lending, including:
 - 1) Policies that address the underwriting, approval, and documentation of all types of loans and leases offered by the credit union
 - 2) Policies that address "covered" real estate loans (Financial Code Division 1.6)
 - 3) Policies that address the extension, refinancing, collection, and charge-off of troubled loans and leases
 - 4) Policies that address the granting of loans and leases to credit union employees on terms more favorable than those available to regular credit union members
 - c. Investments
 - d. Asset-liability management (liquidity and interest rate risk)
 - e. Physical security (of premises, records, electronic data media)
 - f. Information security, including data processed and maintained both electronically and on paper
 - g. Business continuity plans (including management succession, information systems recovery, physical site disasters, records preservation, etc.)
 - h. Reimbursement of officials' expenses (California Code of Regulations section 30.307)
3. Compliance policies, procedures, disclosures, and records, including:
 - a. Bank Secrecy Act (BSA), including records of Cash Transaction Reports (CTRs) and Suspicious Activity Reports (SARs) filed
 - b. Office of Foreign Assets Control (OFAC)
 - c. Funds Availability (Regulation CC)
 - d. California Financial Information Privacy Act (Financial Code Division 1.2)
 - e. Lack of federal deposit insurance (if the credit union is insured only by ASI)
4. Minutes of all meetings of credit union members (both regular annual meetings and any special meetings) since the prior examination

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5. Minutes of all meetings of the board of directors and any of its committees (such as an executive committee, investment committee, etc.
6. Minutes of all meetings of the supervisory committee since the prior examination

GENERAL FINANCIAL INFORMATION

1. Underlying documentation that supports the quarterly Form 5300 call reports (as discussed in the examination entry letter)
2. Financial statements for each month-end since the prior examination for:
 - a. The credit union (separately, if it has subsidiaries)
 - b. Any credit union subsidiaries separately
 - c. The credit union and subsidiaries consolidated, when applicable
3. General ledger trial balance as of the examination balance sheet date (in summary form if accounts are extensive)
4. The written policy/methodology for calculating the required balance in the Allowance for Loan and Lease Losses (ALLL) account, and the calculation of the required balance in the ALLL as of the examination balance sheet date
5. Minutes of all meetings of the asset/liability management committee (ALCO) since the prior examination
6. Liquidity and interest rate risk management reports generated since the prior examination (This includes reports generated by the credit union itself and by third parties. It includes both summary reports and underlying, supporting analyses and reports, such as analyses of cash flow, core deposits, etc.)
7. Current business plan, projections, and underlying assumptions
8. Income/expense budgets, underlying assumptions, and budget variance reports since the prior examination
9. Statutory reserve transfer calculations (including the calculation of risk assets) for all transfer dates since the prior examination (Disregard if insured by NCUA.)
10. Written summary of the status of litigation in which the credit union is involved, if any

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SHARE AND LOAN ACCOUNTS

1. An AIREs-compatible download of members' share and loan account information as of the examination balance sheet date
2. Share and loan trial balances as of the examination balance sheet date (if an AIREs-compatible download can not be generated for that date)

(This includes reports for accounts maintained on separate data processing systems, whether at the credit union or at other vendors, such as credit card loans, real estate loans, indirect auto loans, student loans, participation loans, etc.)

3. Minutes of the credit committee (or credit manager) and loan officers for the past 3 months
4. A list of all officials and employees, their titles/positions, and the account numbers for all of their accounts at the credit union (Officials include the directors, supervisory committee, credit committee/credit manager, and any appointed officers.)
5. A list of all credit union members related to credit union officials and employees (to the best of your knowledge) and the account numbers for all of their accounts at the credit union

(This includes non-natural-person members, such as business entities, trusts, associations, etc.)

6. A schedule of all share, loan and lease account codes, such as account-type codes, collateral codes, purpose codes, etc.
7. A schedule of current dividend rates for all share types
8. A schedule of current interest rates for all loan and lease types
9. A schedule of current share, loan and lease account fees
10. Share, loan and lease management information reports as of the examination balance sheet date

(Examples include reports showing the breakdown of share, loan and lease accounts by type, by dividend/interest rates, by maturity date, by collateral code, by account balance tiers, etc.)

11. Detailed delinquent loan and lease reports as of each month end for the 6 months ending on the examination balance sheet date

(This includes reports for loans maintained on separate data processing systems, whether at the credit union or at other vendors, such as credit card loans, real estate loans, indirect auto loans, participation loans, etc.)

12. Collection status reports or notes for delinquent loans and leases as of the examination balance sheet date (including a list of borrowers who have filed for bankruptcy of any type)

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13. A schedule and status report of foreclosed real property as of the examination balance sheet date (if not included in the foregoing delinquency and collection reports)
14. A report of paid-ahead loans and leases as of the examination balance sheet date
15. The reports of overdrawn share accounts as of each month end for the 6 months ending on the examination balance sheet date
16. A report of share accounts considered inactive as of the examination balance sheet date
17. Non-financial transaction reports for each period during the past 6 months

OTHER GENERAL LEDGER ACCOUNTS

1. A detailed schedule of investments as of the examination balance sheet date, identifying individual investments, the components of their book values (face value, premiums, discounts, etc.), their market values, and maturity dates
2. Evidence of the existence and ownership of investments, such as certificates, account statements from investees, account statements from safekeeping agents, etc.
3. Evidence that investments of an unusual nature are legally authorized, such as law and/or regulation citations, interpretive rulings, prospectuses, legal opinions, etc.
4. Credit union-prepared reconciliations of balances reported by investees to the balances shown in the credit union's general ledger as of the examination balance sheet date for cash, investment, and other transaction accounts
5. Records for material acquisitions or disposals (prior to maturity) of investments since the prior examination, supporting the amounts capitalized, amortized, gained and/or lost
6. Records for material acquisitions or disposals of other assets since the prior examination, supporting the amounts capitalized, amortized, gained and/or lost
7. Copies of corporate borrowing or line of credit agreements
8. Evidence to confirm the amount of outstanding debt owed by the credit union as of the examination balance sheet date
9. Subsidiary records to support other general ledger control accounts, such as fixed assets, prepaid assets, other receivables, accounts payable, accrued expenses payable, suspense clearing accounts, etc.
10. General ledger account transaction histories since the prior examination for capital and reserve accounts, such as the Allowance for Loan and Lease Losses, the Regular Reserve, Undivided Earnings, Accumulated Unrealized Gains/Losses on AFS Investments, etc.

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OTHER INFORMATION

1. A list of all branches, including physical site addresses and hours of operation
2. Copies of significant contracts to which the credit union is a party, such as:
 - a. Surety bond and other insurance policies
 - b. Employment contracts
 - c. Data processing service and/or maintenance contracts
 - d. Office space leases
 - e. CPA audit engagement letter
 - f. Website development and/or maintenance contracts
 - g. Agreements to buy or sell whole loans
 - h. Agreements to buy or sell loan participations
 - i. Contracts to service loan or lease portfolios
 - j. Contracts to engage in repurchase transactions
 - k. Contracts to engage in hedging and/or derivative transactions
 - l. Contracts to provide accounting or other services
3. Reports issued since the prior examination that evaluate the credit union's operations and/or financial condition, whether prepared internally or by third parties.

Examples include:

 - a. CPA audit report and management letter
 - b. Supervisory committee audit report (if separate from the CPA report)
 - c. Supervisory committee report on the verification of members' accounts (if not included in the CPA audit report)
 - d. Audit reports on the internal controls of a service organization ("SAS-70" reports)
(This may apply if the credit union is the subject of such a report because it is a "service organization," or if the credit union obtains such a report covering a vendor that provides services to the credit union.)
 - e. Internal auditor reports
 - f. Annual BSA/OFAC compliance audit report
 - g. Risk management audit report from a bond or insurance company or a consultant
 - h. Quality control reviews of loan and lease underwriting and documentation, or of other credit union functions
 - i. Security and disaster-recovery evaluations of information systems and technology
 - j. Other management consultant engagements
4. Legal opinions or guidance prepared by the credit union's legal staff or outside attorney
5. Issues of the credit union's newsletter since the prior examination