

Response of the Global Legal Entity Identifier Foundation (GLEIF) to the National Credit Union Administration – Communications and Transparency

March 2021

The Global Legal Entity Identifier Foundation (GLEIF) is pleased to provide comments to the National Credit Union Administration (NCUA) on communication methods and related initiatives to promote efficiency and increase transparency.

GLEIF would like to respond to the following question: How can the NCUA improve the NCUA.gov and MyCreditUnion.gov websites? Does the website search function provide helpful and relevant results? What aspects of the NCUA.gov and MyCreditUnion.gov websites are the most helpful?

NCUA would benefit greatly through the inclusion of the Legal Entity Identifier (LEI) and the reference data included in a LEI record within NCUA's website. Today, NCUA's website is restricted to searching by credit union name, address or charter number. The latter is sufficient for credit unions that are aware of their own identifier, however, to increase usage among credit unions and more importantly outside of credit unions, the search feature should permit searching by LEI.

In 2015, the Consumer Financial Protection Bureau, within regulation C, revised the Home Mortgage Disclosure Act to include a loan originator identifier. According to the final rule, the financial institution, inclusive of credit unions, shall provide its LEI rather than the current reporter's identification number (HMDA RID) when submitting its HMDA data. As a result, credit unions have established broad LEI coverage. Furthermore, the value proposition of a LEI has been recognized by several U.S. regulators such as the Federal Reserve, Consumer Financial Protection Bureau, National Association of Insurance Commissioners, U.S. Treasury, which utilize the LEI. U.S. Customs and Border Protection is working on the Global Business Identifier (GBI) Initiative, in which the Bureau will test the LEI as part of an evaluative proof of concept to determine the optimal GBI solution. Furthermore, the LEI currently exists in 26 various U.S. laws and regulations.

The LEI is the only global standard for legal entity identification. It is a 20-character, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO) and an adopted U.S. standard. It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. Each LEI contains information about an entity's ownership structure and thus answers the questions of 'who is who' and 'who owns whom'. Simply put, the publicly available LEI data pool can be regarded as a global directory, which greatly enhances transparency in the global marketplace.

The drivers of the LEI initiative, i.e. the Group of 20, the Financial Stability Board and many regulators around the world, have emphasized the need to make the LEI a broad public good. As such, the LEI and its associated reference data are accessible to all as open, public data. It is registered and regularly verified according to protocols and procedures established by the LEI Regulatory Oversight Committee. The NCUA would also benefit from data that accompanies a LEI record. For example, company name and address, both of which are part of NCUA's website search functionality today can be automatically

retrieved from the LEI record. The GLEIF website offers a variety of access points to meet the need of end users. All LEI data is validated and verified by LEI issuers against authoritative sources which results in a trusted source of entity data.

Consistent use of the LEI in the US could greatly enhance information sharing across different government entities. Today, the US government utilizes [more than 50 different identifiers](#) for legal entity identification; which causes manual reconciliation of data and drain of resources. Instead of using/accepting a plethora of identifiers, the NCUA could leverage the LEI, as an established open source, to harmonize and sharing of critical data both at home and abroad. The Foundation for Evidence-based Policy Making Act of 2018 (Evidence Act) seeks to synchronize data across various agencies, inclusive of regulators. Consultations and requests comments are an opportunity to reconsider existing identifier schemes with longer term vision for broader use and open sharing across US agencies.

GLEIF would be pleased to further engage with NCUA on this topic and provide further information, if requested.