



Jim Nussle
President & CEO

Phone: 202-508-6745
jnussle@cuna.coop

99 M Street SE
Suite 300
Washington, DC 20003-3799

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Chairman Rodney Hood
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Chairman Hood:

On behalf of the Credit Union National Association (CUNA), I am writing to follow up on our recent communications regarding the COVID-19 crisis and CUNA's letter sent on March 12, 2020, regarding possible NCUA actions to alleviate the impact of COVID-19 on credit unions and their members.

Thank you for responding to feedback received from CUNA, state Leagues, and credit unions. NCUA's efforts in providing credit unions with more flexibility in conducting virtual board and annual meetings, and in its recent *Interagency Statement on Loan Modifications and Reporting by Financial Institutions Working with Customers Affected by the Coronavirus*, highlight the agency's willing leadership during a critical and complex time.

As today's economic environment is rapidly changing and bringing new challenges, CUNA appreciates the NCUA Board and staff willingness to promptly address feedback received from the industry. We understand the necessity in communicating information to NCUA as we receive it, and we appreciate the agency's openness and responsiveness to these efforts.

Based on information CUNA received from state Leagues and credit unions in the last few days as COVID-19 continues to affect the economy and credit union members, we have the following additional recommendations on immediate actions NCUA can take to alleviate burden on the industry. These recommendations supplement the feedback and recommendations we communicated to NCUA the past couple weeks.

FASB's CECL Standard

We urge NCUA to send a letter to the Financial Accounting Standards Board (FASB) asking it to suspend implementation of its Current Expected Credit Loss (CECL) standard for at least one year, until January 2024, at the very minimum. CUNA sent a similar letter to FASB on March 18, 2020.

- A letter asking FASB to further delay CECL implementation was also sent by Representatives Brad Sherman (D-CA), Vincente Gonzalez (D-TX), Josh Gottheimer (D-NJ), and Blaine Luetkemeyer (R-MO) on March 20, 2020.
- Another letter was sent to FASB asking for a CECL delay and suspension on March 23, 2020, by Gregory Meeks (D-NY) and Blaine Luetkemeyer (R-MO).
- Furthermore, the Federal Deposit Insurance Corporation (FDIC) Chairman Jelena McWilliams sent a letter on March 19, 2020 asking for changes to CECL for banks.

Proposed Rulemaking for Part 722-Real Estate Appraisals

We urge NCUA to expedite the finalization of the Proposed Rulemaking for Part 722-Real Estate Appraisals, increasing the threshold level below which appraisals would not be required for residential real estate-related transactions from \$250,000 to \$400,000. As you might imagine, full appraisals are a difficult service to obtain now and increasing the threshold to match what the banks currently have would be especially helpful for credit unions.

Suspend Previously Scheduled Onsite Examinations & Data Collections

We urge NCUA to publicly suspend all routine previously scheduled onsite examinations and data collections for at least 120 days unless there is an immediate need. This extension should include deadlines for submitting call report data or other examination-related information, unless this data is critically necessary to monitor the health of an individual credit union. NCUA Regional Directors should provide resources to credit unions while credit unions focus on their role as critical infrastructure providers.

Guidance on Real Property Inspections

We encourage the NCUA to provide guidance regarding how credit unions should respond to COVID-19 related issues regarding real property inspections, and what arrangements can be made if property owners do not want to permit access to their property due to COVID-19 concerns.

Low-Income Credit Union Designation

We urge the NCUA to consider changes to the Low-Income Credit Union (LICU) designation. Currently PO boxes are included in the count for membership but are not counted for income purposes, meaning that PO boxes negatively impact the ability to qualify for the designation. In most cases, credit unions can find physical addresses for members with PO boxes so these members are included in the count for LICU purposes. However military designated PO Boxes (FPO, APO, DPO) are generally members who do not have a permanent address other than their military PO Box. Because most enlisted military members living on base make below 80% of the median income, we believe they should count and be included in the LICU designation as LICU members in the same way that an address is included based on census tract data.

We also suggest NCUA base the LICU designation on an area's unemployment. Unemployment is an excellent indicator of economic distress of a population. If the COVID-19 pandemic does have a major impact on the economy, unemployment could rise to high levels. Allowing the LICU designation to be based on unemployment would be another way for credit unions to offer critical financial services to Americans in need. The NCUA could allow a credit union to be designated a LICU for a certain fixed period of time after unemployment in the credit union's field of membership reached the 10% threshold.

These changes can be made by NCUA within its current regulatory authority and would allow more credit unions to become LICUs, which is especially critical at this time.

Establish Frequently Asked Questions for Credit Union Members Affected by COVID-19

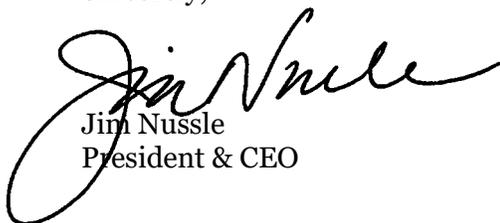
We strongly encourage NCUA to publish on the front page of its website, and distribute through social and other media channels, a "Frequently Asked Questions for Credit Union Members Affected by COVID-19" document. This document could include information for members regarding deposit insurance for credit union accounts, the safety of credit union deposits, how members may contact the NCUA with any questions, how funds can be wired to relatives or friends affected by COVID-19, how personal financial information should be protected against fraudulent activity, how members' credit scores may be affected during the COVID-19 crisis, what steps members may take to prevent identity theft, and any other guidance for credit union members at this time.

Update “Frequently Asked Questions Regarding COVID-19, NCUA and Credit Union Operations”

Finally, we urge NCUA to update its “Frequently Asked Questions Regarding COVID-19, NCUA and Credit Union Operations” document as it makes changes to its policies and procedures. Listing agency actions and updated interpretations in one document is helpful to credit unions as they navigate through the changes. We also ask that NCUA highlight this FAQ document prominently on the front page of its website, so it is easily noticed and accessible.

Again, thank you for your support and quick responsiveness at this time. Please contact me if you have questions or would like to discuss these recommendations further.

Sincerely,



Jim Nussle
President & CEO