March 18, 2020

The Honorable Kathy Kraninger
Director
Consumer Financial Protection Bureau
1700 G St. N.W.
Washington, D.C. 20552

Dear Director Kraninger:

On behalf of the Credit Union National Association (CUNA), I am writing to thank you for taking the time to speak with me regarding the COVID-19 pandemic and its impact on the consumer financial services marketplace. This letter reiterates some suggestions made during our conversation and outlines additional actions the Consumer Financial Protection Bureau (CFPB or Bureau) can take to be of assistance to credit unions as they help affected members.

While credit unions continue to contact CUNA and our partners at state credit union leagues to provide feedback on measures that could prove to be helpful, we have compiled recommendations that we want to share with you.

**Frequent, Transparent Communication**

We ask that the CFPB stay in regular communication with financial services providers and be as transparent as possible during this crisis. If up-to-date information from official sources becomes infrequent, then regulated entities may in turn become concerned that looming issues are being ignored or not adequately addressed. CUNA is ready and willing to assist in communicating and amplifying any critical messages from the Bureau to credit unions and their members. We are also at the Bureau’s disposal to solicit feedback our members and we are actively conducting COVID-19 related surveys of our membership that can shared with the Bureau once results are processed.

We also encourage the CFPB to use its platform to assure consumers that their deposits are insured by the federal government and they can continue to look to their local credit union for financial guidance and assistance.

**Regulatory Action**

Recently, CUNA called on the CFPB to quickly finalize its proposal amending the Remittances Rule and to provide an accommodation for transfers sent to individuals abroad affected by the COVID-19 outbreak.¹ Such action would ensure credit union members have access to efficient methods from their local credit union to transfer money internationally to relatives and friends affected by the pandemic. We hope the Bureau acts quickly on this request.

As the situation develops, more state and local governments are instituting policies mandating or encouraging social distancing to prevent the greater spread of the coronavirus. These policies have resulted in many employers, including financial institutions, to adopt broad telework policies or to reduce staffing. In addition, employers are embracing for the likelihood that employees may fall ill and be unable to work entirely. As a result, it is likely that many credit unions and third-party service providers are going to be operating short-staffed or with skeleton crews for a prolonged period. These staffing issues will likely result in standard operating procedures and processes to slow or – in some cases – temporarily cease. Anticipating a likely short-staffing issue, CUNA recommends the CFPB act to provide flexibility for credit unions’ regulatory compliance responsibilities to ensure consumers are still able to access financial products and services if staff resources become in short supply. These recommendations include:

- Avoid finalizing or implementing any new rules or initiatives that would add to burden or strain compliance resources – now is not the time for more compliance burden, rather credit unions need to focus on their mission-critical services.
- Suspend onsite routine examinations so that credit union employees are not required to be in the office for unnecessary lengths of time and can dedicate their work time to focusing on serving members.
- Consider pushing back or providing extensions for any 2020 filing deadlines, including HMDA reporting, credit card account agreement reporting, and others.
- Adopt a policy of “good faith efforts toward substantial compliance” during the compliance examination process once routine examinations resume after the pandemic. Credit unions shouldn’t face regulatory findings for moving too quickly to help a member in need during the pandemic.
- Allow consumers to temporarily waive disclosure timing-requirements under the TILA-RESPA Integrated Disclosure (TRID) rule (e.g. the three-day closing disclosure requirement). These waivers will ensure credit unions are able to continue processing their member’s crucial financial transactions while understaffed.
- Provide temporary flexibility for disclosures and application processing timelines related to loss mitigation efforts, especially for COVID-19 related loan modifications, forbearance agreements, and repayment plans. The concern is that with significant economic and job disruption there could be many members in need in a short period of time which could overwhelm available staff resources.

As member-owned, not-for-profit financial cooperatives, credit unions exist to provide credit and low-cost services that assist our member-owners in meeting their financial needs, especially during times of emergency. As always, credit unions stand ready to assist our members and communities and that is why we are consumers’ best option in the financial services space.

On behalf of America’s credit unions and their 115 million members, thank you once again for speaking to me during this critical time and for your consideration of our recommendations.

Sincerely,

Jim Nussle
President & CEO