



WASHINGTON, D.C.

99 M Street SE
Suite 300
Washington, D.C. 20003-3799

Phone: 202-638-5777

Fax: 202-638-7734

June 29, 2020

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: RIN 3133-AF18: Central Liquidity Facility

Dear Mr. Poliquin:

The Credit Union National Association (CUNA) appreciates the opportunity to submit comments to the National Credit Union Administration (NCUA) in response to the interim final rule with request for comment on amendments to the agency's Central Liquidity Facility (CLF) requirements. CUNA represents America's credit unions and their 115 million members.

We support the changes to the CLF made in the interim final rule to implement the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. The CARES act made several important changes to the CLF including increasing the CLF's maximum legal borrowing authority and permitting corporate credit unions to act as agents for credit unions. These changes improve the operation and accessibility of the CLF to credit unions by expanding the amount of liquidity the NCUA can provide to them. However, these legislative measures are temporary and set to sunset at the end of 2020.

Given the unprecedented nature and the depth of this pandemic and the subsequent economic crisis, CUNA will continue to pursue additional statutory changes to the CLF with Congress. These include authorizing the NCUA to expand the CLF's borrowing authority from 16 to 25 times the paid in capital, to extend the expanded borrowing authority until at least December 31, 2021, and make permanent the ability of corporate credit unions to act as agents for credit unions. These changes from Congress would help to ensure the long-term viability of the CLF so it can help credit unions in any future crisis. We urge NCUA to support these changes as well.

CUNA supports the termination of membership and updated collateral requirement made in the interim final rules. These amendments are regulatory and do not have a sunset provision and will bring the CLF more closely into alignment with requirements of the Federal Reserve to borrow from the Discount Window. These changes also encourage larger credit unions to join the CLF and reduce barriers for all credit unions to join and use CLF.

If you have questions about CUNA's comments, please feel free to contact me at 202.508.6705.

Sincerely,

A handwritten signature in cursive script that reads "Lance Noggle".

Lance Noggle
Senior Director of Advocacy and Senior Counsel for Payments and Cybersecurity