



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 America's credit unions, I am writing to suggest steps the National Credit Union Administration (NCUA) should consider to alleviate the financial strain and consumer disruption being caused by the coronavirus. The Credit Union National Association (CUNA) represents America's credit unions and their 115 million members.

We anticipate the challenges facing credit unions and their members will get worse before they get better, as it is clear we are in the early stages of this public health issue. The coronavirus has already and will continue to strain the broader economy. However, as often in the time of such challenges, there is an opportunity for credit unions to exemplify pro-consumer financial services.

We appreciate the statement issued earlier this week by the NCUA and other federal financial regulators encouraging financial institutions to meet the financial needs of customers and members affected by the coronavirus. We offer below several specific areas where the NCUA can ease the challenges facing credit unions during this time.

Examination Cycle Flexibility

In the joint statement noted above, the NCUA recognizes that credit unions may face current staffing and other challenges. We appreciate the NCUA's statement that it will work with affected financial institutions in scheduling examinations to minimize disruption and burden.

While many credit union employees are capable of—and many currently are—working remotely, NCUA examinations as well as those by state supervisory authorities often require credit union staff to be on site with examiners. Aside from advisements by health professionals in certain areas to limit direct contact, situations where staff are required to be on site can be challenging for a variety of reasons. For example, the rate of school closures continues to rise, requiring parents to be home with children in many instances.

Therefore, consistent with the NCUA's joint message, we ask the agency to provide additional information explicitly detailing that credit unions have flexibility in the number and/or type of individuals required to be on site during an examination, as well as flexibility in delaying an examination altogether.

Capital Forbearance

The impact on consumers from the coronavirus is much broader than just those directly sickened by the virus. Consumers may be required to stay home with sick children or children whose schools are closed or operating remotely. Some in industries hardest hit by the disruption may be temporarily out of work and without a paycheck as demand for their service industry weakens. Others, particularly small business owners, may experience a significant decrease in income directly related to their business. These types of scenarios may make it challenging for members to make timely personal, credit card, automobile, small business, or other loan related payments.

We ask the NCUA to provide flexibility in its assessment of those credit unions experiencing financial challenges as a result of the coronavirus. As noted above, the strain on members, and therefore credit unions, is much broader than those directly affected. Members in states and regions with little or no confirmed cases of the coronavirus can be significantly impacted financially by the situation. We ask the NCUA to pursue Prompt Corrective Action forbearance in appropriate situations. The agency has employed such supervisory flexibility in other significant disruptions, such as the aftermath of Hurricane Katrina. We urge it to use all appropriate tools available.

Virtual Board and Membership Meeting Guidance

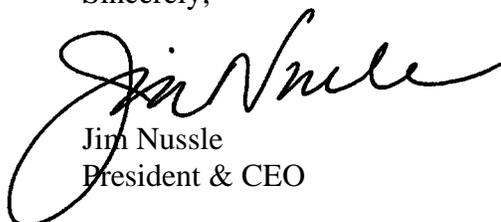
Unique to credit unions, the volunteer board of directors and annual membership meetings are a critical part of credit union governance. The Federal Credit Union Act provides strict requirements on when and how a credit union board must meet; it also provides requirements for an annual meeting of the credit union membership. While some board meetings may be conducted by conference call, some board meetings as well as membership meetings must be in person, which can be challenging in any environment.

We ask the NCUA to provide guidance on virtual board meetings and whether membership meetings scheduled during this crisis could be conducted virtually. While necessary now more than ever, such guidance will be useful at all times rather than just during the current disruption. The NCUA should detail how and when a credit union can utilize virtual meetings.

Conclusion

On behalf of America's credit unions and their 115 million members, thank you for considering our suggestions on how to accommodate credit unions and their members during this challenging time. If you have questions about our comments, please do not hesitate to contact me.

Sincerely,



Jim Nussle
President & CEO