Update on NCUA’s Response to the Pandemic

November 18, 2021
Overview

• NCUA response
• Regulatory Relief
• Letters to Credit Unions
• NCUA.gov
• COVID-19 Frequently Asked Questions
Annual Meeting Flexibilities

• Letter to Federal Credit Unions 21-FCU-06
• For Federal Credit Unions:
  – Exception to in-person quorum requirement
  – Flexibilities with Bylaw Amendment
• Extended for 2022
Central Liquidity Facility

- CLF Extension – Multiplier changes from 16X back to 12X.
- Expires December 31, 2021
- Congress must pass changes to the Central Liquidity Facility.
- Corporates acting as agents have one year from expiration (or 01/01/2023) to unwind the relationship.
Prompt Corrective Action

• PCA Relief – Streamline NWRPs and Earning Transfer Waivers for Share Growth Only
  – Set to Expire March 31, 2022
Loan Participations / Eligible Obligation / Occupancy

• Expires on December 31, 2021
• Raised the maximum aggregate amount of loan participations that a federally insured credit union may purchase from a single originating lender to the greater of $5,000,000 or 200 percent of the credit union’s net worth.
• Suspended limitations on the eligible obligations that a federal credit union may purchase and hold.
• Suspended the required timeframes for the occupancy or disposition of properties not being used for federal credit union business or that have been abandoned.
• Permit federally insured credit unions (FICU) to use asset data as of March 31, 2020, in order to determine whether the institution is subject to capital planning and stress testing requirements under the NCUA’s regulations and supervision from the Office of National Examinations and Supervision. This relief is applicable for the calendar years 2021 and 2022.

• Asset growth in 2020 would not trigger new regulatory requirements under part 702 until January 1, 2023, at the earliest.
Call Reports

• Civil Money Penalties have not been charged for late reports since the December 31, 2019, cycle.

• Staff plan to resume normal approach to adjudicating late filers starting with the December 31, 2021, cycle, unless we see a significant negative change in the pandemic.
Virtual Examination

- COVID-19 Examination Lessons Learned
- Challenges Experienced
- Virtual Examination Future
Exam Path Forward

- Priority of contacts
- Best practices for role of examiner in charge
- Training for newer examiners
- Best practices for examination steps
Welcome all feedback and suggestions.

Examination Modernization email: exammodernization@NCUA.GOV