

**Profile Form**

<b>Page</b>	<b>Section</b>	<b>Line</b>	<b>Account(s) (if any)</b>	<b>Previous Content</b>	<b>New Content</b>	<b>Justification/Reason</b>	<b>Change Date</b>
8 - Credit Union Programs and Member Services	Credit Union Programs				Payday Alternative Loans (PALs I & II - FCU Only) heading	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv).	Mar-20
8 - Credit Union Programs and Member Services	Credit Union Programs	i.		Payday Alternative Loans (PAL loans) (FCU Only)	PALs I (FCU Only)	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv).	Mar-20
8 - Credit Union Programs and Member Services	Credit Union Programs	j.			PALs II (FCU Only)	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv).	Mar-20
8 - Credit Union Programs and Member Services	Payday Alternative Loans			Payday Alternative Loans (PAL loans) program (FCUs Only) - Place a "✓" in the associated box for all the credit union offers (Check all that apply)	Payday Alternative Loans (PALs I & II) program (FCUs Only) - Place a "✓" in the associated box for all the credit union offers (Check all that apply)	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv).	Mar-20

**Profile Form**

<b>Page</b>	<b>Section</b>	<b>Line</b>	<b>Account(s) (if any)</b>	<b>Previous Content</b>	<b>New Content</b>	<b>Justification/Reason</b>	<b>Change Date</b>
6 - Regulatory Information	LIBOR Exposure	15a		N/A	Does your Credit Union have any related transactions (for example loans or shares) indexed to LIBOR?	To address London Interbank Offered Rate (LIBOR) exposure. These questions are needed to identify FICU that have purchases of LIBOR instruments or use of LIBOR as a reference rate. Examiners will use this information to assess credit unions' exposure, governance, risk management and readiness related to the discontinuation of the LIBOR index after 2021.	Mar-20

**Profile Form**

<b>Page</b>	<b>Section</b>	<b>Line</b>	<b>Account(s) (if any)</b>	<b>Previous Content</b>	<b>New Content</b>	<b>Justification/Reason</b>	<b>Change Date</b>
6 - Regulatory Information	LIBOR Exposure	15b		N/A	Does your Credit Union have any non-member or counterparty transactions (for example investments or derivatives) indexed to LIBOR?	To address London Interbank Offered Rate (LIBOR) exposure. These questions are needed to identify FICU that have purchases of LIBOR instruments or use of LIBOR as a reference rate. Examiners will use this information to assess credit unions' exposure, governance, risk management and readiness related to the discontinuation of the LIBOR index after 2021.	Mar-20

Profile Instruction Changes							
Profile Page	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification / Reason	Change Date
6	Regulatory Information			The Regulatory and Disaster Recovery page of the credit union's profile reports information regarding <del>regulatory</del> requirements and disaster recovery information.	The Regulatory and Disaster Recovery page of the credit union's profile reports information regarding regulatory items and disaster recovery information.		Mar-20
6	Regulatory Information - LIBOR Exposure	15			LIBOR Exposure - Indicate if the credit union has any transaction indexed to LIBOR	Supervisory priority for 2020	Mar-20
6	Regulatory Information - LIBOR Exposure	15a			Does your Credit Union have any member related transaction (for example loans or shares) indexed to LIBOR?	Supervisory priority for 2020	Mar-20
6	Regulatory Information - LIBOR Exposure	15b			Does your Credit Union have any non-member related transaction (for example investments or derivatives) indexed to LIBOR?	Supervisory priority for 2020	Mar-20
8	Programs				Payday Alternative Loans (PALs I & PALs II - FCU Only)	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv).	Mar-20
8	Programs	i.		<p><del>Payday Alternative Loans (PAL loans) - NCUA amended its general lending rule to enable FCUs to offer short-term, small amount loans as a viable alternative to predatory payday loans. This amendment permits FCUs to charge a higher interest rate for a PAL than is permitted under the general lending rule, but imposes limitations on the permissible term, amount, and fees associated with PAL loans. According to NCUA Rules and Regulations Part 701.21(c)(7)(iii), a Payday Alternative Loan (PAL) is defined as a closed-end loan with the following conditions:</del></p> <ol style="list-style-type: none"> <li>1. The principal of the loan is not less than \$200 or more than \$1000;</li> <li>2. The loan has a minimum maturity term of one month and a maximum maturity term of six months;</li> <li>3. The Federal credit union does not make more than three PAL loans in any rolling six-month period to any one borrower and makes no more than one payday alternative loan at a time to a borrower;</li> <li>4. The Federal credit union must not roll-over any PAL loan. The prohibition against roll-overs does not apply to an extension of the loan term within the maximum loan terms in paragraph (c)(7)(iii)(3) provided the Federal credit union does not charge any additional fees or extend any new credit.</li> <li>5. The Federal credit union fully amortizes the loan;</li> <li>6. The Federal credit union sets a minimum length of membership requirement of at least one month;</li> <li>7. The Federal credit union charges an application fee to all members applying for a new loan that reflects the actual costs associated with processing the application, but in no case may the application fee exceed \$20; and</li> <li>8. The Federal credit union includes, in its written lending policies, a limit on the aggregate dollar amount of loans made under this section of a maximum of 20% of net worth and implements appropriate underwriting guidelines to minimize risk; for example, requiring a borrower to verify employment by producing at least two recent pay stubs.</li> </ol>	<p>PALs I (FCU Only) - NCUA amended its general lending rule to enable FCUs to offer short-term, small amount loans as a viable alternative to predatory payday loans. This amendment permits FCUs to charge a higher interest rate for a PALs I than is permitted under the general lending rule, but imposes limitations on the permissible term, amount, and fees associated with PALs I. According to NCUA Rules and Regulations Part Section 701.21(c)(7)(iii), a (PALs I loan) is defined as a closed-end loan with the following conditions:</p> <ol style="list-style-type: none"> <li>1. The principal of the PALs I loan is not less than \$200 or more than \$1,000;</li> <li>2. The PALs I loan has a minimum maturity term of one month and a maximum maturity term of six months;</li> <li>3. The FCU does not make more than three PALs I or PALs II loans in any rolling six-month period to any one borrower and makes no more than one PALs I or II loans at a time to any borrower;</li> <li>4. The FCU must not roll-over any PALs I or PALs II loans. The prohibition against rollovers does not apply to an extension of the loan term within the maximum loan term in paragraph (c)(7)(iii)(3) provided the Federal credit union does not charge any additional fees or extend any new credit.</li> <li>5. The FCU fully amortizes the PALs I loan;</li> <li>6. The FCU requires the borrower to be a member for at least one month before receiving a PALs I loan;</li> <li>7. The FCU charges a reasonable application fee to all members applying for a new PALs I loan that reflects the actual costs associated with processing the application, but in no case may the application fee exceed \$20; and</li> <li>8. The FCU includes, in its written lending policies, a limit on the aggregate dollar amount of PALs I and PALs II loans that does not exceed 20% of net worth and implements appropriate underwriting guidelines to minimize risk; for example, requiring a borrower to verify employment by providing at least two recent pay stubs.</li> </ol>	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv)	Mar-20

Profile Instruction Changes							
Profile Page	Section	Line	Account(s) (if any)	Previous Content	New Content	Justification / Reason	Change Date
8	Programs	j.			<p>PALs II (FCU Only) - NCUA amended its general lending rule to enable FCUs to offer short-term, small amount loans as a viable alternative to predatory payday loans. This amendment permits FCUs to charge a higher interest rate for a PALs II than is permitted under the general lending rule, but imposes limitations on the permissible term, amount, and fees associated with PALs II. According to NCUA Rules and Regulations Section 701.21(c)(7)(iv), a PALs II loan is defined as a closed-end loan with the following conditions:</p> <ol style="list-style-type: none"> <li>1. The principal of the loan is not more than \$2,000;</li> <li>2. The loan has a minimum maturity term of one month and a maximum maturity term of 12 months;</li> <li>3. The FCU does not make more than three PALs I or II loans at a time to any borrower;</li> <li>4. The FCU must not roll-over any PALs I or PALs II loan. The prohibition against roll-overs does not apply to an extension of the loan term within the maximum loan terms in paragraph (c)(7)(iv)(A)(3) provided the FCU does not charge any additional fees or extend any new credit;</li> <li>5. The FCU fully amortizes the loan;</li> <li>6. The FCU charges a reasonable application fee to all members applying for a new PALs II loan that reflects the actual costs associated with processing the application, but that in no case exceeds \$20;</li> <li>7. The FCU does not assess a fee or charge, including a non-sufficient funds fee, on the borrower's account pursuant to the federal credit union's overdraft service in connection with any PALs II loan; and</li> <li>8. The FCU includes, in its written lending policies, a limit on the aggregate dollar amount of PALs I and II loans made that does not exceed an aggregate of 20% of net worth and implements appropriate underwriting guidelines to minimize risk; for example, requiring a borrower to verify employment by providing at least two recent pay stubs.</li> </ol>	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv)	Mar-20
8	Programs			<p>Payday Alternative Loans (PAL loans) program (Federal Credit Union Only) Check the applicable boxes if the FCU offers Payday Alternative Loans.</p>	<p>Payday Alternative Loans (PALs I or II) (FCU Only) Check the applicable boxes if the FCU offers PALs I or II.</p>	Changes to the NCUA regulations. Added Section 701.21(c)(7)(iv).	Mar-20