

**Iowa Credit Union League****Virtual Roundtable | Loan Modifications & Regulatory Updates****April 8, 2020****1:30 – 2:30 p.m.****Loan Modifications | Brooke Trent, [Trent Law Firm, PLLC](#)**

- ☐ Q: Prior to COVID-19, how should delinquent loans be reported to the credit bureau?
  - A: As long as the loan is not federally backed, it is up to the credit union's discretion on how to handle. It can be reported negatively, or if it is chosen not to be reported, a policy should be made so the decision can be applied consistently. The same decision must be made for all members.
- ☐ Q: Can we ask for interest only payments?
  - A: Yes. The credit union will need to verify the loan has the waiver provision.
- ☐ Q: If the acknowledgement letter is used and the credit union doesn't use a mortgage modification to extend term, and doesn't increase remaining payments (thus potentially increasing the final payment due), do we need to disclose this? And how?
  - A: Yes, this needs disclosed. Over disclose and overshare. The letter needs to be perfectly drafted, and have eyes from different angles (compliance, legal) review. Records need to be shown and noted properly. Check with software vendors to ensure this is an available option.
- ☐ Q: How should credit unions approach car loans?
  - A: Same as mortgage, there are just not as many reporting impacts.
- ☐ Q: If a member skips April and May and they make it up in June and July, the maturity date doesn't extend past the recorded mortgage. Is that what the acknowledgement letter is for?
  - A: That is how the CARES Act is working, however this is not a practical way to do it unless the business knows the money is coming. This would make sure the maturity date is covered and would also be a business decision for the credit union.

**SBA PPP Loan Insights | PolicyWorks Vice President of Strategic Initiatives Erin O'Hern and Compliance Consultant Anthony Cooper**

- ☐ The [Iowa Division of Credit Unions](#) is working on guidance and will be sending it out upon completion. The Division's SBA guidance was released. Please remember that no two credit unions are the same.
- ☐ FinCEN is working on guidance as well.
- ☐ Original SBA PPP information released has been modified. The max rate and term were reduced.
- ☐ Eligibility. The types of businesses who can utilize these loans has been expanded.

*Information in this document was shared on April 8, 2020.*

*The conversation facilitated by the Iowa Credit Union League and partners should not be constructed as legal services, legal advice, or in any way establishing an attorney-client relationship.*

- Faith-based services, such as churches, are now eligible.
- Credit unions are not eligible
- ICUL and PolicyWorks are working to create further guidance. Resources will be shared on the [ICUL COVID-19 resources site](#).
- Q: Is it possible for credit unions to require members who have qualified for this program move all of their accounts to the credit union?
  - A: It is a bit bold to ask the business to do this, but with continued member relationship, the business may eventually move the business over time.

**REMINDER: Send resources you're willing to share with other credit unions and credit union questions to [covid@iowacreditunions.com](mailto:covid@iowacreditunions.com).**

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