

Iowa Credit Union League

Virtual Roundtable | Discussion with the NCUA & Iowa Division of Credit Unions

April 29, 2020

1:30 – 2:30 p.m.

Updates from PolicyWorks | Compliance Consultant Anthony Cooper and Vice President of Strategic Initiatives Erin O'Hern

- ☐ Paycheck Protection Program (PPP) – second round started on Monday. Credit unions are still not eligible to apply for this program themselves.
- ☐ Stimulus checks from deceased individuals – There are a few articles out stating that the Treasury Department may request funds sent to deceased individuals to be returned by the recipient of the funds. There is no guidance on this topic at this time, so we encourage credit unions to proceed as normal for now. PolicyWorks will keep the group updated on any developments regarding this.
- ☐ The Reg D. six transaction limit has been removed. For now, this is a permanent change, and PolicyWorks will continue to update the group if there are any changes on this topic.
- ☐ Collections/garnishments – PolicyWorks is working to create guidance from Governor Reynolds' recent proclamation. Sections of the proclamation provided Iowans relief through May 27th.

NCUA & Iowa Division of Credit Unions Updates | NCUA: Cherie Freed and Mike Dyer; Iowa Division of Credit Unions: Superintendent Katie Averill, Jessica Pollmeier and Kevin Gorman

- ☐ Iowa Division of Credit Unions – Superintendent Katie Averill
 - Offsite examinations – currently the Division has completed five exams virtually. The Division has noticed a significant savings in both cost and time and is paying special attention to best practices that can be used in the future.
 - The Division has issued 13 pieces of guidance. Please click on the link below to see information regarding loss mitigation, remote notarization, limitation of services/branch closings, annual meetings etc.
<https://docs.google.com/document/d/1ITjRYbfgY9QggcHW30ZXzFitvdACxNWiF8Dttm0Ap4/edit>
 - Branch Reopenings - the Division is relying on public health for guidance in this situation. Ultimately reopenings will be at the discretion of the credit union.
- ☐ NCUA – Cherie Freed
 - Currently the NCUA has put out 11 letters to credit unions regarding changes made because of COVID-19. [Find COVID-19 NCUA resources here.](#)
 - The NCUA is studying the impact on a credit unions' financial conditions.

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- NCUA is currently working on letters for credit unions who have received a large amount of cash, network restoration plans, mergers and fillable forms.
- Credit unions need to document what they are currently doing in this environment and make sure Boards of Directors are informed. Make sure risk management practices are in place and up to date.
- The NCUA is implementing best practices for virtual exams. Not all exams will be offsite.
- The NCUA has posted [Regulatory Treatment for Paycheck Protection Program Loans on their website](#).

Q&A | PolicyWorks Compliance Consultant Anthony Cooper and Vice President of Strategic Initiatives Erin O'Hern

- Q: What happens when the credit union has negative ROA but has strong capital?
 - A: As long as the credit union has strong capital, the Division we will be looking at this on an individual basis. This is expected from credit unions at this time.
- Q: Does PPP go against credit unions MBL limit?
 - A: The Division has provided a [regulatory advisory bulletin](#) for small business lending through the COVID-19 pandemic.
- Q: Is there a larger issue you are seeing in other states that haven't made it to Iowa yet?
 - A: All states are wrestling with the same issues; we know that it will be a slow return to 'normal' business.
- Q: Is there any guidance how loans should be reported to credit bureaus?
 - A: Under the CARES Act, all loan modification programs should be reported as current.

REMINDER: Send resources you're willing to share with other credit unions and credit union questions to covid@iowacreditunions.com.

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