

**DATE:** April 20, 2020  
**BULLETIN:** 2020-KDCU-CUB-8  
**TO:** Kansas Chartered Credit Unions  
**SUBJECT:** Coronavirus Resources, Vol. III

### CORONAVIRUS RESOURCES, VOL. III

On April 7, 2020, the United States passed Day 100 of the coronavirus crisis. An inauspicious date for history. As this pandemic continues, many directives have been issued by the NCUA and other federal agencies. As with prior bulletins, this one will also compile those documents for review, as well as other items of interest.

NCUA Letter to Credit Unions [No. 20-CU-06](#) was issued in early April and addresses the Paycheck Protection Program (PPP). This program was part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed by President Donald Trump on March 27, 2020. This provides for \$349 billion in assistance to small businesses on a first-come, first-served basis.

Federally insured credit unions are eligible to be approved lenders. If not currently a SBA 7(a) lender, credit unions can submit a CARES Act Section 1102 [Lender Agreement](#). The SBA will automatically approve lenders that are not designated in troubled condition by the NCUA or subject to formal enforcement action. Lending authority terminates on July 1, 2020, as PPP applications must be submitted by June 30, 2020. Provided all criteria are met, PPP loans are 100% guaranteed by the federal government. Additional information on the program is available from the [U.S. Department of the Treasury](#), including the [Interim Final Rule](#). As the initial funding amount has been appropriated, Congress is currently seeking to replenish the program.

Key CARES Act changes affecting credit unions are addressed by the NCUA Letter to Credit Unions [No. 20-CU-07](#). An amendment related to the Central Liquidity Facility (CLF) removed the “primarily serving natural persons” reference to permit temporary access for corporate credit unions. The NCUA Board now has the authority, in coordination with the FDIC, to increase or lower share insurance coverage on any non-interest bearing transaction account until December 31, 2020. The NCUA will continue to evaluate whether this may be needed based upon the continued evolution of the COVID-19 pandemic. There are other amendments which credit union management should review. On April 13, 2020, the NCUA approved an [interim final rule](#) enhancing the ability of the Central Liquidity Facility to serve as a liquidity backstop to the nation’s credit union system.

On April 7, 2020, the NCUA, along with the other financial institution regulatory agencies and in consultation with state regulators, issued a [revised interagency statement](#) encouraging credit unions to work with borrowers affected by COVID-19 and providing additional information regarding loan modifications. Credit unions are encouraged to review this statement. As indicated in prior releases, the NCUA and state regulators will not criticize credit unions that mitigate credit risk through actions consistent with safe and sound practices. These are considered to be in the best interests of credit unions, their borrowers and the economy.

On March 31, 2020, the NCUA [announced](#) the availability of \$4 million in loans and \$800,000 in grants for federally insured, low-income-designated credit unions to assist members, businesses and communities experiencing economic hardships. On April 13, 2020, NCUA [increased](#) the grant money available to \$1,375,000. Applications will be accepted through May 22 through the [CyberGrants portal](#). For questions, contact the [Office of Credit Union Resources and Expansion](#).

With the increase in credit union employees working remotely, comes an increase in cybersecurity risk. On April 14, 2020, the NCUA issued a [Risk Alert](#) highlighting cybersecurity best practices.