

Delaware Coronavirus Tracker: Reopening; State Foreclosure Roundup; PPP Update; NCUA Update; CA Privacy Act; Save-the-Date Congressional Delegation Webinar – 7.1.20

Reopening

Governor John Carney has announced that he is delaying a decision on when to move into the state's third phase of economic reopening, citing the widespread failure of the public to wear masks in public places. Previously, he announced the establishment of the Pandemic Resurgence Advisory Committee in anticipation of a potential resurgence of the coronavirus this fall. The committee will be co-chaired by Lieutenant Governor Bethany Hall-Long and Secretary of State Jeff Bullock.

Judicial Foreclosure Roundup

Governor's Fourteenth Modified Declaration of State of Emergency, April 30, 2020

- Extends until further notice the March 24 Governor's Modified Declaration of State of Emergency.

Governor's Modified Declaration of State of Emergency, March 24, 2020

- Bars commencement of all residential foreclosures unless mortgagee is the seller. Provides that "no late fee or excess interest may be charged or accrue on the account for such residential mortgage during the state of emergency." For foreclosure actions pending as of initial March 12, 2020 emergency declaration all deadlines extended to date no sooner than the 31st day following the termination of the state of emergency. Similarly, if judgment entered before emergency declaration, no sheriff's sale can take place and no eviction can occur until at least 31 days after termination of state of emergency.

PPP Update

The deadline for small businesses to apply for coronavirus relief funds expired earlier this week on Tuesday. Newly passed legislation in Congress would reopen the application process until August 8. The measure awaits President Trump's signature. There is approximately \$135 billion in funds available for qualified borrowers.

NCUA Update

The National Credit Union Administration has rescheduled its July board meeting. It will now be held on Thursday, July 30 beginning at 10:00 a.m. Eastern, and the closed meeting will follow immediately after the open meeting has concluded. The meeting will be available through a live audio webcast only.

Central Liquidity Comment Letter

Attached is the Association's comment letter to NCUA relative to the Central Liquidity Facility.

Subordinated Debt Survey

The Association plans to file a comment letter with the National Credit Union Administration and seeks member input to inform its response on the proposed subordinated debt changes and related issues in the current economic environment. As such, the Association seeks member input in the form of a brief survey, available [HERE](#). Your response is requested no later than Wednesday, July 1.

The full proposal by the NCUA is available [HERE](#).

California Consumer Privacy Act Effective Today

The California Consumer Privacy Act ("CCPA") statute becomes effective and enforceable today, July 1. California Attorney General Xavier Becerra submitted final proposed regulations under the CCPA to the California Office of Administrative Law ("OAL"). The regulations will provide guidance to businesses on how to comply with the CCPA and will enable consumers to exercise new rights over their personal information.

Any credit union that serves California members must be in compliance with the CCPA. Under [Executive Order N-40-20](#) related to the COVID-19 pandemic, OAL has 30 working days and an additional 60 calendar days to determine whether the regulations satisfy the procedural requirements of the Administrative Procedure Act. Once approved by the OAL, the final regulation text will be filed with the Secretary of State and become enforceable by law.

The Attorney General's office has requested an expedited review by the OAL, and the Association expects the final regulations will be done timely and will become law. A copy of the complete rulemaking package submitted to OAL, including a text of the regulations, can be found [HERE](#).

As the full scope of the proposed regulations becomes clear upon finalization, please stay tuned for more information on upcoming programming opportunities.

Save-the-Date: Delaware Congressional Delegation Credit Union Webinar

The Association is pleased to host an upcoming dialogue with the entire Delaware congressional delegation using a zoom meeting platform. Registration details will be available shortly but in the interim, please mark your calendars and plan to attend. As Senator Tom Carper, Chris Coons and Congresswoman Lisa Blunt-Rochester will all be present, it is important that each member credit union is represented and participates in the discussion.

Wednesday
July 15 from
2:15 pm - 3:00 pm

Cooperative Credit Union Association

Creating Cooperative Power

June 29, 2020

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

**RE: Cooperative Credit Union Association, Inc. Comments on Interim Final Rule:
CLF, RIN 3133– AF15**

BY ELECTRONIC DELIVERY ONLY: www.regulations.gov

Dear Secretary Poliquin:

On behalf of the member credit unions of the Cooperative Credit Union Association, Inc. (“Association”), please accept this letter relative to the National Credit Union Administration Board’s (“NCUA”) interim final rule on the Central Liquidity Facility (“Interim Rule”). The Association is the state trade association representing credit unions located in the states of Delaware, Massachusetts, New Hampshire, and Rhode Island, serving approximately 200 credit unions which further serve over 3.6 million consumer members.

Overview

The Central Liquidity Facility (“CLF”) is a mixed-ownership government corporation created to improve the general financial stability of credit unions by serving as a liquidity lender to credit unions experiencing unusual or unexpected liquidity shortfalls.¹ The CARES Act made four important changes to the CLF, all of which sunset or expire on December 31, 2020.² These include:

- Increasing the Central Liquidity Facility’s maximum legal borrowing authority;
- Permitting temporary access for corporate credit unions, as agent members, to borrow for their own needs;
- Providing greater flexibility and affordability to agent members to join and serve smaller groups of credit unions than their entire memberships; and

¹ Member credit unions own the Central Liquidity Facility which exists within the NCUA. The president of the Central Liquidity Facility manages the facility under the oversight of the NCUA Board.

² The CARES Act made four amendments to Subchapter III of the Federal Credit Union Act.

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- Providing more clarity and flexibility about the purposes for which the NCUA Board can approve loans by removing the phrase, “the Board shall not approve an application for credit the intent of which is to expand credit union portfolios.”

Interim Final Rule and Impact

To implement the new legislation, the Association was pleased and supported the timely actions of NCUA with the promulgation of the Interim Rule. The NCUA Board approved additional enhancements to the Central Liquidity Facility, including: eliminating the six-month waiting period for a new member to receive a loan; eliminating the explicit waiting period for a credit union to terminate its membership; and easing collateral requirements for certain assets securing loans. Without question, the Association and its members support the Interim Rule.

In essence, these provisions relate to the improved operation and accessibility of the CLF to credit unions, including allowing corporate credit unions to act as agents for natural person credit unions, and expanding the CLF’s borrowing authority from 12 times the paid in capital to 16 times. At present, credit unions are being encouraged to join the CLF as soon as possible by all stakeholders, including the Association.³ In fact, in a collaborative effort reflective of the credit union mission, corporate credit unions have voluntarily agreed to cover all credit unions under \$250 million in assets regardless of membership during the period of the emergency to ensure that access to liquidity is easily obtained and prioritized. The Association is most proud of this industry solution, made possible by statutory changes and the Interim Rule.

The Association notes that these measures are set to sunset at the end of 2020 and NCUA is urged to work with Congress to expand the CLF’s borrowing authority to 25 times the paid in capital, to extend the expanded borrowing authority until December 31, 2021, and to make permanent the ability of corporate credit unions to act as agents for credit unions. Given the unprecedented nature and the depth of this pandemic and the subsequent economic challenges unfolding, all interested stakeholders should take steps to ensure the long-term viability of the CLF so it can serve as a stabilizing force to help credit unions in the future as the economy slowly rebounds. By making the new, temporary changes to the CLF permanent, the Association firmly believes that credit unions will be able to better prepare the entire system and the NCUA for any additional emergencies and maintain the safety and soundness of the credit union industry.

Thank you for the opportunity to share our member’s views on the proposal. If you have any questions about the recommendations set forth in this comment letter or require further information, then please do not hesitate to contact me.


³ NCUA Letter to Credit Unions 20-CU-08 /April 2020; <https://www.ncua.gov/regulation-supervision/letters-credit-unions-other-guidance/establishment-clf-agent-memberships>

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Sincerely,

A handwritten signature in black ink, appearing to read "Ronald McLean". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.

RM/mac/kb