

**Massachusetts Federal and State Regulatory Directives, Recommendations, and Best Practices Tracker
Coronavirus (COVID-19)**

**NOTE: FOR ADDITIONAL FEDERAL REGULATORY GUIDANCE FOR
FEDERALLY-INSURED CREDIT UNIONS:**

Please refer to the Association's Federal Regulatory Directives, Recommendations, and Best Practices Tracker Coronavirus (COVID-19)

Federal and state regulatory agencies have provided directives and guidance to financial institutions relative to the Coronavirus (COVID-19), including policies that financial institutions should have in place. As the issue of the COVID-19 pandemic remains ongoing, regulators continue to release updated guidance and resources. The Association continues to work with credit union regulators to raise operational challenges and promote regulatory reasonableness. In any crisis, even a public health crisis, it is paramount that credit unions and other financial service providers work to instill public confidence in the banking system. As credit unions consider various scenarios reflective of the severity of developments, no clear approaches are apparent. The Association recommends careful, well thought, reasonable approaches using best judgement on a day-to-day basis understanding the fluidity of the situations.

As with any policy decision made by credit union officials, documentation should be maintained to justify the reasonableness of the decision, as well as the board's approval of those actions. Regulatory review will likely be based on management's justification and a holistic view of the risks, including those that are community health related. Swift decisions may need to be made by credit union officials weighing competing risks.

Credit union inquiries and concerns may be sent to advocacyma@ccua.org.

The Association has compiled the following regulatory guidance and resources and will continue to update this page with additional regulatory recommendations as they become available.

I. State

a. Massachusetts

[NEW: Massachusetts Division of Banks](#)
[Statement on Financial Institutions Working with Customers Affected by the Coronavirus and Regulatory Assistance](#) – March 16, 2020

The following steps may be taken as needed to assist:

Waiving certain fees, such as:

- Automated teller machine (ATM) fees for customers and non-customers,
- Overdraft fees,
- Late payment fees on credit cards and other loans, and
- Early withdrawal penalties on time deposits;
 - Increasing ATM daily cash withdrawal limits;
 - Easing restrictions on cashing out-of-state and non-customer checks;
 - Increasing credit card limits for creditworthy borrowers; and

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- Offering payment accommodations, such as allowing borrowers to defer or skip some payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting caused by COVID-19-related disruptions.

Additional detailed guidance on loan modifications is also provided.

Financial Condition Review, Supervisory Response, and Regulatory Relief

The Division recognizes that credit unions may experience an increase in their levels of delinquent and nonperforming loans. Consistent with long-standing practices, the Division will consider the unusual circumstances faced when reviewing financial conditions and when determining any supervisory response. As needed, the Division will work to reduce burden when scheduling examinations or inspections, including making greater use of off-site reviews, consistent with applicable legal and regulatory requirements.

Regulatory Reporting Requirements

Difficulty in meeting regulatory reporting requirements, including audited financial statements and related reports, as applicable, may be encountered and credit unions are encouraged to contact the Division to discuss their situation.

Alternative Service Options for Members

The Division understands that facilities may need to be temporarily closed due to staffing challenges or to take precautionary measures, such as limiting foot traffic within a branch and providing services only through drive-through lanes. Please notify the Division and members of temporary facilities closures and the availability of any alternative service options as soon as practical. Refer to the Division's [Regulatory Bulletin 2.1-105](#) for guidance on temporary closings of branch offices.

Also, notify the Division as early as possible regarding any business disruptions or other significant developments that result from the effects of Coronavirus. Examples include closures of office or branch locations, significant staff shortages, or the rapid withdrawal of deposits and other signs of erosion in consumer confidence.

Industry Message from the Massachusetts Division of Banks: COVID -19 - March 12, 2020

The Division of Banks recommends revised guidelines found within the [FFIEC Guidance on Pandemic Preparedness](#) - March 10, 2020

i. Annual Meetings (M.G.L. c. 171, ss. [9](#), [11](#))

- Check the current bylaws governing a specific credit union for annual meeting date, notice, quorum and other requirements. M.G.L. c. 171, ss. 9, 11.
- Annual meeting must be held within 120 days of close of fiscal year which is the last business day of December. M.G.L. c. 171, s. 11.
- Notices must be posted at least 7 days prior to the meeting. M.G.L. c. 171, s. 11.

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- Member voting method is set forth in a specific credit union's bylaws. State law permits bylaw provisions/amendments by members to authorize voting by mail or in person. M.G.L. c. 171, s. 11.
 - Note: Pending legislation seeks to expand this option to include voting by electronic communications. House 4290; Senate 2470)
- No direct statutory authority for virtual annual meetings.

ii. Board and Committee Meetings ([M.G.L. c. 171, s. 13](#))

- Board meetings must be held at least once a month.
- Quorum is not less than a majority of directors.
- Meeting participation may be by means of a conference telephone or similar electronic communications equipment so that persons participating in the meeting may simultaneously hear each other, and participation in this manner constitutes presence in person.
- Written authorizations/consents required during electronic meetings may be delivered by fax, email, polling, other commercially acceptable transmission.

iii. Temporary Office Closings

Guidance is provided at [Regulatory Bulletin 2.1-105 Emergency Temporary Closing of Banking Offices](#).

iv. Loan Terms ([M.G.L. c. 171, s.65A](#))

Flexibility for maximum term and dollar amounts subject to written policies and appropriate limits, criteria and standards subject to safety and soundness criteria.

v. Examination cycles ([M.G.L. c. 171, s.2](#))

Annually or 18-month cycles for well capitalized credit unions.

Division of Banks Contacts

- Disruptions/Liquidity: Deputy Commissioner James Barrett at james.a.barrett@mass.gov or 617/367-4401.
- Examinations/Risk Management: Christopher R. Cook, Chief Director, Depository Institution Supervision at christopher.r.cook@mass.gov or 617/956-1538.
- Examinations/Consumer Protection: Irene Weydt, Chief Director, Depository Consumer Protection at irene.weydt@mass.gov or 617/956-1546.
- Cybersecurity/IT: Holly Chase, Director, Cybersecurity/IT/Fintech at holly.chase@mass.gov or 617/367-4409.

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II. Additional Considerations for both Massachusetts Federal and State Credit Unions

Examination Considerations and Reminders:

- Regulators at every level are very mindful of the impact of the current health crisis on credit unions and more specifically, the challenges that it imposes on the scheduling and conduct of examinations. The overall goal remains to work with individual credit unions on a case-by-case basis to develop a plan that minimizes disruption and burden. A more targeted examination scope, increased off site monitoring, advance electronic delivery of documents, and condensed onsite activity are all ongoing considerations.

Governance Considerations and Reminders:

- Notify members of special circumstances of an annual or special meeting.
- Distribute meeting materials electronically, such as meeting minutes and committee reports.
- Quorum requirements remain in place and should be adhered to.
- As plans expand to include employees working remotely, be aware of cybersecurity risks and scams.

Safety/Soundness/Operational Considerations and Reminders:

- Closely monitor and notify regulators of business disruptions or other significant developments that result from the effects of Coronavirus, such as closures of office or branch locations, significant staff shortages, or the rapid withdrawal of deposits and other signs of erosion in consumer confidence.
- Closely monitor liquidity levels in anticipation of heightened demand for cash withdrawals at branch locations/ATMs and increased loan refinancing activity in the low interest rate environment.
- Ensure all sources of liquidity are readily available should the need arise.
- Confirm electronic credentials and authorized users with essential third party providers to minimize delays.
- Update contact information for liquidity/borrowing sources while ensuring operating procedures have been reviewed and are understood throughout the credit union.
- Organize and make available as much information as possible in a secured electronic format for examiners to minimize the length and direct contact of examinations.

Member Service Considerations:

- Offer payment accommodations, such as allowing borrowers to defer payments, extending the payment due dates or otherwise adjusting or altering terms of existing loans, which would avoid delinquencies and negative credit agency reporting.
- Offer lifeline banking services, including interest free loans.
- Waiving/forgiveness of overdraft and other fees.
- Ease credit terms for new loans.
- Waive late fees on loan balances.
- Encourage online applications, with increased technical assistance, as may be available.
- Promote use of video tellers.

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- Monitor development of possible government-backed loan programs/incentives, such as those available from the Small Business Administration at <https://www.sba.gov/about-sba/sba-newsroom>
- Proactively reaching out to members and those adversely impacted via app announcements, text, email or otherwise to explain any other assistance offered.
- Consider precautions and protocols recommended to appraisers and other third parties interacting with members and any operational impact, such as to the mortgage processing process, while balancing fair lending requirements.
http://www.appraisalfoundation.org/iMIS/TAF/Coronavirus_and_Appraisers.aspx
<http://www.sec.state.ma.us/rod/rodgde/gdeidx.htm>
- Consider drive-up only service when appropriate. A phased plan of member facing rolling branch, those first impacted by taking into account geographic locations if another branch is nearby may be an option. Review credit union shared branching options and remind geographically dispersed members of such service

Health and Safety Considerations and Reminders:

- Suspend annual meeting door prizes, meals, drawings to minimize contact.
- Promote contactless/digital/online payments, remote banking, direct deposit and wash hands/change disposable gloves/sanitize frequently.
- Avoid direct handoffs.
- Encourage drive-up window usage.
- Adopt reserve online and express pickup on site/mail options for routine transactions such as card replacements, checks, etc. to reduce onsite time in offices.
- Manage communications with members appropriately and increase robust website disclosures and usage.
- For members wearing masks upon arrival at a credit union location, consider posting a notice on entry doors indicating that anyone wearing a mask due to coronavirus is requested to use the drive-up lanes for both safety and security reasons. This practice of notice and recommended member action upon entry is similar to previous steps taken as a best practice for safety to minimize robberies. Consider reconfiguring a drive-up lane and designate it for walk-up traffic if safe.

Association Resources

Association [Coronavirus Resource Page](#)

Association [Coronavirus Recorded Webinar](#)

Association [Coronavirus Chat Room Using Yammer](#)

Association Emergency Contacts

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Mary Ann Clancy: mclancy@ccua.org or 508/294-5626

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