



TO: NCUA Board

DATE: April 9, 2020

FROM: Office of General Counsel
Office of Examination and Insurance

SUBJ: Temporary final rule: Temporary
Regulatory Relief in Response to
COVID-19

ACTION REQUESTED: NCUA Board approval to issue the attached temporary final rule.

DATE ACTION REQUESTED: April 16, 2020.

OTHER OFFICES CONSULTED: N/A

VIEWS OF OTHER OFFICES CONSULTED: N/A

BUDGET IMPACT, IF ANY: None.

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes.

RESPONSIBLE STAFF MEMBERS: Amanda Parkhill, Director, Policy Division, Office of Examination and Insurance; Ariel Pereira, Staff Attorney, Office of General Counsel.

SUMMARY: The NCUA Board (Board) is temporarily modifying certain regulatory requirements to help ensure that federally insured credit unions (FICUs) remain operational and liquid during the COVID-19 crisis. Specifically, the Board is temporarily raising the maximum aggregate amount of loan participations that a FICU may purchase from a single originating lender without seeking a waiver from the appropriate Regional Director to the greater of \$5,000,000 or 200 percent of the FICU's net worth. The Board is also temporarily suspending limitations on the types of eligible obligations that a federal credit union (FCU) may purchase and hold. An FCU will not be required to refinance a purchased obligation so that it is a loan the FCU is empowered to make. Further, an FCU with a CAMEL "3" rating will be able to purchase the eligible obligations of any FICU or liquidating credit union without regard to whether they are obligations of the purchasing FCU's members. Currently, this authority is limited to FCUs with CAMEL composite ratings of "1" and "2." In addition, given physical distancing policies implemented in response to the crisis, the Board is tolling the required timeframes for the occupancy or disposition of properties not being used for FCU business or that have been abandoned. These temporary modifications will be in place until December 31, 2020, unless extended.

RECOMMENDED ACTION: The NCUA Board approve the attached temporary final rule for publication in the *Federal Register* with an immediate effective date.

ATTACHMENT: Temporary final rule.