



Covid-19 Industry Experts Call: Regulatory Agencies
Thursday, April 16, 2020 @ 11:00 AM

Lacey Weaver – LCUL update:

- Continue to monitor and use the COVID ListServ for questions and feedback
- Dues Invoices went out at the end of March and everyone can expect them next week
- Education activities currently canceled thru 7/1. A meeting will be held later in April to make decisions concerning 2020.

Keith Morton – NCUA Regional Director

- Consistent line of communication with Bob to address new challenges for Louisiana credit unions
- The agency has taken measures to promote social distancing
- They recognize that member services will look different during this unprecedented time
- NCUA has closed all offices in March and staff are working remotely
- Examiners have also transitioned to off-site audits thru 5/1. (this may be extended)
- Examiners have been instructed to be flexible in exam dates during this time
- NCUA has a [ncua.gov/coronavirus](https://www.ncua.gov/coronavirus) dedicated to all virus-related updates:
 - Annual meetings accommodations can be made
 - FCU Board Meetings accommodations can be made
 - Call reports and HMDA extensions have been granted
 - FFIC participating in a webinar next week to discuss debt restructuring for CU members (be on the lookout – must reregister)
 - BSA – notify examiner and FinCEN if you believe you'll be late in submitting this report
 - Insured Shares calculator and brochures are available
 - NCUA Board waived certain rules in issuing loans to new members?? (if CU's need short term liquidity, please contact CLF)
 - NCUA now deferring the need for appraisals up to 120 after the loan has been booked. (They're still necessary, but the need for members to access funds are recognized)
 - Committed \$1.375M in grant dollars for small CU's (applications taken thru 5/22)

Jeff Brooks – Adams & Reese, LLC

- Three stimulus packages passed on 3/27
- Paid Family Sick Leave and PPP in place
- Continued guidance coming for PPP
 - Trying to get CU's eligible for the program but not at this time
 - The first \$350M designated for this has run out
 - If you have a SBA loan number in place, the funds are being held in these funds
 - Treasury has advised the lending institutions to continue to process the loans. Why? Possible additional rounds of stimulus funding for PPP
 - Congress isn't returning until 5/4.
 - The 4,5,6 stimulus: possibly infrastructure, 'America Builds' programs to include schools & airports, etc. to use 'Trickle Down' effect

Ed Reisenger – Kudulis, Reisinger, & Price (KRP) Law Firm

- Family First Corona Virus Act
 - Emergency sick leave – additional 80 hours for emergency sick leave each employee for:
 - Quarantine or isolation orders (n/a as CU's are considered essential)
 - Upon advice of a health care provider
 - If the employee has symptoms (refer to the Department of Labor standards)
 - To care for a family member (ex. To care for a son or daughter if no one else is available to take care of the child)
 - Been ordered to take time off by a government order
 - Emergency FMLA:
 - Any employers with less than 50 employees are now available
 - Leave is now paid up to \$200/ day (66% of their standard pay)
 - A CU can choose to pay an employee who isn't coming to work because there's nothing to do. But it's not mandatory.
 - CU's can ask for documentation for the emergency FMLA (doctors note)
 - Doctors note can be required to allow employee to come to work
 - For small staffs with over half the staff asking to use emergency FMLA time, what to do to exempt from this?
 - Does CU have sufficient funds to continue to pay staff on leave
 - Can we continue to operate using someone else in that now vacant position?
 - Remember, FMLA doesn't guarantee someone their same position upon their return.
- Stimulus checks: it appears that these ACH funds can be used to apply to negative accounts. Note, PR may suffer.

Rob Rieger – Adams & Reese, LLC (our local lobbyist)

- Unemployment claims are a top concern in Louisiana
 - Workforce commission is working hard to push out the funding for these claims
 - Most claims ever – exceeding hurricanes and other disasters
- Some elections must be delays
 - Presidential primaries
 - Senate annulled Secretary of States proposal for risk of voter fraud. Hopeful for another proposal in next 30 days
 - Great legislator unrest. The session postponed in the first 2 weeks of regular session. A budget is needed by 6/1. Legislators may push to annul parts of the governor's 'Stay at Home' order (this is a very serious action that could happen)
 - Currently hearing legislature may return either 5/6 or 5/15. With over 100 pieces of legislature in play, they will be prioritized to put COVID-related items on the front burner.
 - Remote online notarization should be addressed

LOFI

- Tim Robichaux, Deputy Chief Examiner:
 - Exams are continuing offsite
 - Accommodations may be made on an individual basis

- Sid Seymour:
 - Bulletin on 4/1 to address best practices in the COVID-19 environment
 - 4/7, emergency declaration addressing loans made under the PPP
 - Excludes PPP loans from the existing lending limits
- Jonathan Finley
 - Debt Restructure Act – anticipating that the term of the restructure deferral may go up to 9 months or a year. (giving you to control to revisit the modification later in the year)
 - Make sure files document why modifications were made

Bob Gallman – Closing

- Thanked everyone for attending
- Reminder to check for latest updates on LCUL.com

Q & A:

- Will NCUA consider changing the 7% Capitalized ratio?
 - Not able to change this but some forbearance can be granted. Submissions for flexibility must be sent to the NCUA
- Will CECL be left by the way-side as this new economy will turn provisions on its side
 - Referenced a bank adding 8 times the amount of loan loss for their models. Not saying this is what CUs will need to do
 - CU's are autonomous – each will need to make their own decisions, but increases will certainly be expected
- Will there be a reduction in examiner fees with reduced on-site examinations?
 - It's premature to forecast this
 - No discussions have been had on this
 - While some resources are reduced, some others have increased
- Will there be regulatory changes to address competition with online FinTECH's?
 - Two regulatory reformations were published recently, not necessarily for FinTECH's, but the NCUA is always looking for ways to ease the burdens on CUs
- Does NCUA have recommendations to offset the stimulus checks at this time?
 - Not at this time