

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 Duke Street, Alexandria, VA 22314

DATE: April 2020 **LETTER NO:** 20-CU-12

TO: Federally Insured Credit Unions

SUBJ: Outreach Related to COVID-19 Impact

Dear Boards of Directors and Chief Executive Officers:

The NCUA is committed to understanding the challenges credit unions are facing during the COVID-19 pandemic. Information we gather is used to provide credit unions with assistance and accomplish the agency's mission. Our initial credit union outreach focused on operational status and liquidity. We are now expanding our outreach to also identify any emerging credit risks.

Your examiner will contact you between May 4 and May 18, 2020, to review the attached list of questions.¹ I encourage you to schedule a mutually agreeable time with your examiner. Many of the questions ask for your best estimates only; we do not anticipate significant research will be necessary. As with all interactions with the NCUA, I encourage you to have an open dialogue with your examiner, ask questions, and express challenges you may be facing. The NCUA will continue to be mindful of the impact of information requests on any credit unions experiencing operational and staffing challenges associated with responding to COVID-19.

You are helping us understand the challenges credit unions are facing so we can identify or develop the assistance you need. Where there have been challenges with the pandemic, credit unions have adapted to continue to provide quality member service. During our initial outreach, credit unions provided information that led to valuable insights on a variety of topics, such as:

- **Operational Status** – Almost all credit unions report full or partial service to members. A few credit unions that have closed locations due to their sponsors being closed (including school districts and churches, among others) are continuing to serve their members' needs on an appointment basis.
- **Lobby Service** – Many credit unions noted their lobbies are generally closed, but the vast majority are offering lobby appointments. Credit unions that are not offering lobby appointments are providing services using a drive-thru, or offering appointments at another location.
- **Liquidity Planning** – Few credit unions report a need to increase borrowings.

¹ The NCUA will continue to coordinate outreach efforts for state-chartered credit unions with state supervisory authorities.

In addition, the NCUA has been monitoring the impact of COVID-19 on credit unions through information provided by corporate credit unions, other financial service providers, and other government agencies. We appreciate their cooperation and coordination in helping us better understand and monitor liquidity and other related trends in the industry. If you have questions or would like more information about the NCUA's outreach efforts, please contact your NCUA regional office or state supervisory authority.

Sincerely,

/s/

Rodney E. Hood
Chairman

Attachment