

COVID-19 RELIEF – EXPIRATION DATES



LEGISLATIVE PROVISIONS:

The following list outlines provisions from the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) and the *Consolidated Appropriations Act, 2021* (CAA) that impact credit unions and the corresponding expiration date.

Troubled Debt Restructurings (TDRs)

Section 4013 of the CARES Act allows financial institutions, including credit unions, to suspend requirements under U.S. Generally Accepted Accounting Principles (GAAP) for loan modifications related to the coronavirus pandemic and suspend any such determination regarding loans modified during the “applicable period.” The applicable period began March 1, 2020 and the ending date was extended by the CAA until January 1, 2022 or the date that is 60 days after the termination of the COVID-19 national emergency).

Expiration Date: January 1, 2022

Central Liquidity Facility (CLF)

Section 4016 of the CARES Act temporarily enhances access to the NCUA’s CLF by improving credit unions’ ability to tap the CLF for liquidity and creating additional flexibility for corporate credit unions to access the CLF. The National Credit Union Administration (NCUA) issued a [Letter to Credit Unions](#) detailing these changes and also issued an [interim final rule](#) implementing some of the CARES Act provisions. These provisions were extended by the CAA.

Expiration Date: December 31, 2021

Small Business Administration (SBA) Loan Programs

Paycheck Protection Program (PPP)

Section 1102 of the CARES Act created a new SBA lending program, the Paycheck Protection Program (PPP), which allowed eligible small businesses and non-profits to borrow the lesser of \$10 million or the sum of 2.5 times the average total monthly payroll costs for the prior year in order to cover eligible business expenses. The CAA reauthorized an additional \$284.45 billion in funds for new PPP loans and PPP second draw loans. The maximum amount of second draw loans is 2.5 the average monthly payroll costs in the year with a maximum amount of \$2 million. The CAA extended the PPP until March 31, 2021.

PPP loans are fully forgivable if businesses follow the rules for forgiveness. For example, to receive full loan forgiveness, borrowers must use at least 60 percent of the PPP funds for payroll costs. Forgiveness is not automatic and borrowers must apply and submit documentation to their lender.

Program Ends: March 31, 2021

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Economic Injury Disaster Loan (EIDL) Program

Section 1110 of the CARES Act expanded the SBA's EIDL program and permitted EIDL applicants to request an advance of up to \$10,000 within three days of submitting the application. NAFCU [advocated](#) for repeal of section 1110(e)(6) of the CARES Act which provides that if a borrower subsequently receives a PPP loan, that any EIDL advance is deducted from the amount of loan forgiveness. The CAA repealed this provision.

The CARES Act provided \$10 billion for the EIDL Advance program, and Congress subsequently authorized an additional \$10 billion. The CAA funded an additional \$20 billion. This "emergency grant" may be used for any purpose allowable under Small Business Act section 7(b)(2) and does not need to be repaid. The CAA provided for additional EIDL advances for applicants who received less than the permitted \$10,000 or who received none because funding ran out. The CAA also extended the covered period for these grants through December 31, 2021.

Program Ends: December 31, 2021

Increased Dollar Threshold for Express Loans

Section 1102 of the CARES Act temporarily amended the dollar threshold for express loans from \$350,000 to \$1,000,000. The CAA maintained the maximum amount of \$1 million through October 1, 2021, at which time it is reduced to \$500,000.

Expiration Date: October 31, 2021

Subsidy for 7(a) and 504 Loans

Under Section 1112 of the CARES Act, borrower under SBA 7(a) and 504 loan programs may be eligible for six months of subsidized payments. The CAA extends these subsidies, allowing for an additional three months of subsidized payments for all qualifying loans approved by the SBA prior to the CARES Act starting in February 2021. Borrowers in hard-hit industries may qualify for an additional 5 months of subsidized payments. Borrowers which obtain a covered loan approved before September 30, 2021 may also be eligible for six months of subsidized payments.

Subsidized payments will be capped at \$9,000 per covered loan per month and the SBA may require that payment amounts in excess of that amount are deferred to the end of the loan period.

Expiration Date: September 30, 2021

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Credit Protection During COVID-19

Section 4021 of the CARES Act requires furnishers of information to consumer reporting agencies, such as credit unions, to report an account current if an accommodation has been made to defer, modify, forbear or accept partial payment on one or more payments during the COVID-19 pandemic. If the account was delinquent prior to the accommodation, furnishers should maintain that status unless the consumer brings the account current.

Expiration Date: 120 days after the termination of the COVID-19 national emergency

Foreclosure Moratorium

Section 4022 of the CARES Act prohibited foreclosures on all single family, federally backed mortgage loans for not less than the 60-day period beginning March 18, 2020. The Federal Housing Finance Agency (FHFA), Department of Housing and Urban Development (HUD) and Department of Veterans Affairs (VA) have since extended the moratorium on foreclosures until December 31, 2020.

Expiration Date: December 31, 2020

Mortgage Forbearance

Federally Backed Single-Family Mortgage Loans

Section 4022 of the CARES Act permits a borrower experiencing financial hardship, which does not require documentation, to request a special forbearance lasting up to 180 days with the option of an additional 180 days for federally backed mortgage loans.

Expiration Date: Technically undefined due to a drafting error but presumed to be December 31, 2020

Federally Backed Multifamily Mortgage Loans

Section 4023 of the CARES Act provides up to 90 days of forbearance in 30-day increments to lenders with a federally backed, multifamily loan who are experiencing financial hardship during the covered period. Evictions and late fees are prohibited.

Expiration Date: December 31, 2020

Current Expected Credit Loss (CECL)

Section 4014 of the CARES Act provides optional, temporary relief from the Financial Accounting Standards Board's (FASB) Current Expected Credit Losses (CECL) standard. The CAB extended this relief until January 1, 2022. While FASB previously delayed the mandatory effective date for CECL until 2023 for credit unions, if a credit union elected to adopt CECL early, this provision would provide optional relief. Related to CECL, the NCUA also recently issued a [proposed rule](#) to phase-in the day one impacts of CECL on credit unions' regulatory capital.

Expiration Date: January 1, 2022

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Insured Deposit Threshold

Section 4008 of the CARES Act gave the NCUA Board the authority to increase by an unlimited amount the share insurance coverage on non-interest bearing transaction accounts.

Expiration Date: December 31, 2020

REGULATORY RELIEF:

The following list describes recent COVID-19 relief, and the corresponding expiration or sunset date, provided by regulatory agencies.

Bureau of Consumer Financial Protection (CFPB or Bureau)

Examinations

On June 4, the Bureau released [joint guidance](#) with state bank supervisors intended to assist mortgage servicers in compliance with the CARES Act. The guidance addresses requiring documentation to prove hardship, and the terms of forbearance required under the Act.

Expiration Date: until further notice. This guidance pertains to section 4022 of the CARES Act which does not have a defined expiration date.

On March 26, the CFPB [released policy statements](#) regarding supervisory and enforcement in response to COVID-19. Separate statements were released on the supervisory and enforcement practices regarding quarterly [reporting under the Home Mortgage Disclosure Act \(HMDA\)](#) and information collection for [credit card and prepaid account issuers](#). The CFPB does not intend to cite credit unions in examinations or initiate an enforcement action for failure to report quarterly HMDA data. Credit unions should continue to collect HMDA data in anticipation of the annual submission. In addition, the CFPB does not intend to cite credit unions in examinations for failure to submit the following information relating to credit card and prepaid accounts:

- annual submission of information concerning agreements between credit card Issuers and institutions of higher education;
- quarterly submission of consumer credit card agreements;
- collection of certain credit card price and availability information; and
- submission of prepaid account agreements and related information.

Expiration Date: until further notice; however, the 2020 annual HMDA submissions are currently still due by March 1, 2021, absent any additional postponement from the CFPB.

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National Credit Union Administration (NCUA)

Annual Meetings/Board Meetings

On March 20, the NCUA issued [Letter to Federal Credit Unions 20-FCU-02](#) which allows the directors of a federal credit union board to add an amendment to its bylaws allowing for a fully virtual annual meeting if the following four criteria are met: (1) a national or state emergency has been declared that impacts the community a credit union serves or its headquarters; (2) the credit union has the technological capacity to hold the meeting virtually; (3) the credit union provides members with at least seven-days' notice of the change to a virtual meeting format; and (4) the NCUA has issued guidance indicating it is appropriate to invoke this bylaw amendment. In the letter, NCUA indicates that the bylaw amendment can be invoked for meetings during 2020 if a federal credit union's board resolves so. In a [recent blog on this topic](#), NAFCU provides further analysis of the Letter to Federal Credit Unions.

On November 20, the NCUA issued [Letter to Federal Credit Unions 20-FCU-04](#), authorizing credit unions to adopt the above-referenced bylaw amendment and invoke its provisions for meetings at any point in 2021. In the letter, the NCUA also added optional language permitting credit unions to hold their board of directors' meetings virtually for all of 2021 if the four criteria are met.

Expiration Date: December 31, 2021. Credit unions may adopt this permanent bylaw amendment to be triggered when the four criteria outlined above all apply.

Examinations

On May 28, 2020, NCUA published an [interim final rule](#) temporarily modifying its prompt corrective action (PCA) regulations to ensure liquidity in response to any potential temporary increase in shares as a result of the pandemic. The temporary IFR waives the earnings retention requirement for any credit union that is classified as adequately capitalized and modifies regulations with respect to the specific documentation required for net worth restoration plans (NWRPs) for credit unions that become undercapitalized. A final rule is listed on the agency's rulemaking agenda and is expected in January 2021.

Expiration Date: December 31, 2020

Eligible Obligations, Participations and Occupancy Flexibility

On April 17, NCUA issued [Letter to Credit Unions 20-CU-09](#) discussing temporary regulatory relief in connection with the purchase of eligible obligations and loan participations. It also addressed relief related to occupancy and disposal of acquired and abandoned premises. These changes were described in a [Temporary Final Rule](#) which was [extended](#) until December 31, 2021.

Expiration Date: December 31, 2021

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Appraisal Flexibility

On September 17, 2020, the NCUA Board adopted as a [Final Rule](#) an April 16 [Interim Final Rule](#) that temporarily allows a credit union to defer certain appraisals for up to 120 days when other alternatives are not available and when the appraisal would delay closing. Transactions involving acquisition, development, and construction real estate loans are excluded from this interim final rule. The NCUA Board approved a [Final Rule](#) increasing the threshold level where an appraisal is not required for residential real-estate related transactions from \$250,000 to \$400,000. Transactions below the threshold still require written estimates of the market value, consistent with safe and sound practices. During the December Board meeting, the NCUA Board declined to provide an extension at this time.

Expiration Date: December 31, 2020

Small Business Administration (SBA)

Loan Deferments

On March 23, the SBA [announced automatic deferment of existing disaster loans](#) through the end of 2020. This alleviates the need for borrowers to request deferment from the SBA.

Expiration date: December 31, 2020

On March 10, the SBA issued [Information Notice 5000-20004](#) reminding 7(a) lenders of their unilateral authority to provide temporary relief to borrowers with deferred payments in certain circumstances. Loans sold on the secondary market may be granted a deferment up to six consecutive months. Loans not sold on the secondary market may be granted a one-time deferment up to 90 days without requiring prior investor consent.

Expiration date: None; 7(a) lenders have the authority to grant deferments at any time.

Federal Housing Finance Agency (FHFA)

Loan Processing and Servicing Flexibilities

On January 14, the FHFA [announced](#) that Fannie Mae and Freddie Mac will extend buying qualified loans in forbearance through February 28, 2021. The flexibilities were originally set to expire January 31, 2021, after three previous extensions. Three other loan origination flexibilities were also extended:

- Alternative appraisals on purchase and rate term refinance loans;
- Alternative methods for documenting income and verifying employment before loan closing; and
- Expanding the use of power of attorney to assist with loan closings.

Expiration Date: February 28, 2021

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Forbearance and Eviction Suspensions

On January 19, the FHFA again [extended](#) its moratorium on foreclosures and evictions which originally was set to expire on January 31, 2021. The moratorium will now extend until at least February 28, 2021.

Expiration Date: February 28, 2021

U.S. Department of Housing and Urban Development (HUD)

Forbearance and Eviction Suspensions

On August 27, the FHA [confirmed](#) another extension on its foreclosure and eviction moratorium through December 31, 2020. The moratorium was previously set to expire on August 31, 2020.

Expiration Date: December 31, 2020

On June 2, the FHA [announced](#) a temporary policy that provides guidance for lenders to obtain FHA insurance endorsements on mortgages where the borrower has requested or obtained a COVID-19 forbearance. The Mortgagee Letter temporarily reverses the current FHA policy, which states mortgages that are in forbearance are not eligible for FHA insurance.

Expiration Date: November 30, 2020

Federal Reserve Board (Federal Reserve or Fed)

Liquidity and Credit Facilities

On July 28, The Federal Reserve [announced](#) an extension through December 31, 2020 of its lending facilities that were scheduled to expire on September 30, 2020. The extension is intended to aid planning by potential facility participants and provide certainty that the facilities will continue to be available to help the economy recover from the COVID-19.

Expiration Date: December 31, 2020

Department of Labor (DoL)

On April 1, the DoL issued a [temporary rule](#) implement public health emergency leave under Title I of the Family and Medical Leave Act (FMLA), and emergency paid sick leave to assist working families facing public health emergencies arising out of the COVID-19 pandemic.

Expiration date: December 31, 2020

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Program/Relief Effort	Expiration Date
CAB: Troubled Debt Restructurings	January 1, 2022
CAB: Central Liquidity Facility	December 31, 2021
CAB: Paycheck Protection Program	March 31, 2021
CAB: EIDL Program	December 31, 2021
CAB: Increased Dollar Threshold for Express Loans	October 31, 2021
CAB: Subsidy for 7(a) and 504 Loans	September 30, 2021
CAB: CECL	January 1, 2022
CARES Act: Credit Protection During COVID-19	120 days after termination of the national emergency
CARES Act: Foreclosure Moratorium	December 31, 2020
CARES Act: Mortgage Forbearance for Single-Family Loans	Undefined but presumed to be December 31, 2020
CARES Act: Mortgage Forbearance for Multifamily Loans	December 31, 2020
CARES Act: Insured Deposit Threshold	December 31, 2020
CFPB: Joint Guidance on Supervision Related to Mortgage Forbearance	Until further Notice
CFPB: Policy Statement on Supervision and Enforcement, HMDA Reporting, and Information Collection for Credit Card and Prepaid Account Issuers	Until Further Notice; HMDA submissions are currently still due by March 1, 2021
NCUA: Annual Meetings/Board Meetings Bylaw Change	December 31, 2021, or until the four criteria no longer apply
NCUA: Interim Final Rule on Prompt Corrective Action Relief	December 31, 2020
NCUA: Eligible Obligations, Participations, and Occupancy Flexibility	December 31, 2021
NCUA: Appraisal Flexibility	December 31, 2020
SBA: Loan Deferments for Existing Disaster Loans	December 31, 2020
SBA: 7(a) Loan Deferments	None
FHFA: Loan Processing and Servicing Flexibilities	February 28, 2021
FHFA: Forbearance and Eviction Suspensions	February 28, 2021
HUD: Endorsement of Mortgages Under Forbearance	November 30, 2020
HUD: Forbearance and Eviction Suspensions	December 31, 2020
Federal Reserve: Liquidity and Credit Facilities	December 31, 2020
DOL: Temporary Rule on FMLA Emergency Leave	December 31, 2020

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