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B. Dan Berger
President & Chief Executive Officer

National Association of Federally-Insured Credit Unions

March 12, 2020

The Honorable Kathleen Kraninger
Director
Bureau of Consumer Financial Protection
1700 G Street
Washington, D.C. 20552

RE: COVID-19 (“Novel Coronavirus”) Relief

Dear Director  Kraninger:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I write to you today to call for the Bureau of Consumer Financial Protection’s (Bureau or CFPB) urgent assistance in helping credit unions prepare for COVID-19 (“novel coronavirus”). NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve nearly 120 million consumers with personal and small business financial service products. Credit unions across the country are preparing to keep their staff, members, and their families safe while ensuring there is no disruption to vital financial services. The CFPB can also help.

We appreciate the CFPB’s efforts as a member of the Federal Financial Institutions Examination Council to provide updated interagency guidance on pandemic planning. However, the CFPB needs to address compliance with regulations that credit unions may find difficult or impossible to comply with due to proactive measures they have taken, including adhering to legal imperatives to keep staff, members, and their families safe during this time of uncertainty. Specifically, NAFCU asks the CFPB to allow for broad compliance relief for a minimum of 60 days to assist credit unions at a time when many members may suffer financially from business closings, disruption caused by social distancing, and other externalities caused by COVID-19.

The Bureau should consider both immediate and longer-term actions to support business continuity as the nation adapts to unprecedented disruption resulting from COVID-19. Near-term actions might include issuing guidance or interim rules to relax process-heavy disclosure requirements governing closed-end mortgage forbearances or other short-term modifications. More generally, the Bureau should seek to accommodate efforts to expedite the processing of consumer applications and implement social distancing policies, even if the cost of such speed and adaptation is a trivial reduction in accuracy (e.g., typos resulting from greater reliance on telephonic communication).

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To date, the Bureau has taken the position that even small errors on disclosures are an examination concern. Regardless of the merits of this policy under normal conditions, the present scenario introduced by COVID-19 fundamentally changes the value of such an unforgiving stance. Furthermore, it risks delaying critical relief to consumers at a time of heightened uncertainty and anxiety. After physical health, credit union members need to believe that their financial wellbeing is being prioritized. Credit unions are ready to take steps to accomplish that goal, but guidance from the Bureau is necessary to resolve legal uncertainty.

NAFCU asks that the Bureau act quickly to assure credit unions and other financial institutions that the steps they take to assist consumers on an expedited basis or through social distancing procedures will not be the basis for supervisory action or future penalties. Furthermore, to enhance the speed at which loan modifications and other applications are processed (such as requests for emergency credit), the Bureau should seek to alleviate disclosure-related compliance burdens.

Providing compliance relief for a minimum of 60 days would assist credit unions while ensuring the safety of staff, members, and their families. NAFCU appreciates the opportunity to share its members' views on this matter. If I may be of assistance to you in any way, please do not hesitate to contact me directly.

Sincerely,



B. Dan Berger