

Email not displaying correctly?
[View it in your browser.](#)



Dear Credit Union CEO,

I hope all are doing well in coping with the COVID-19 outbreak. I appreciate you are busy managing your shops during this time of crisis, so the League will limit our communications for the time being to matters related to the current emergency or necessary for your operations. I will also try to keep these updates shorter in the future, but there is a lot of information to share about this crisis right now.

- Melanie Murphy sent out a survey to credit union yesterday to gather information about the steps credit unions are taking to deal with the coronavirus emergency. Thank you to those who have responded and I've included a summary at the end of this email of the 35 responses we have received so far. We are sharing this summary with the DFI and CUNA so they have a better understanding of what credit unions are doing in Illinois and nationally. If you haven't done so already, you can complete the survey [here](#).
- Melanie is also facilitating a conference call every Monday, Wednesday, and Friday at 8:00 am with the HR peer group to address the emergency with their employees. All HR professional are invited, as well as CEOs, regardless of size. Please contact Melanie (Melanie.Murphy@icul.com) if you want to participate in this call.
- 65% of Illinois credit unions only have one location and many of those do not have a drive up, so we've received questions about how to serve members with only a walk-in location. One option is to partner with a credit union nearby that has a drive up facility. Obviously, the types of services available in such an arrangement are rudimentary, but if you have the facilities and capacity to help out local credit unions that have to close their offices or you are one of those credit unions looking for assistance, please contact Patrick Smith (Patrick.Smith@icul.com) and he can tell you how this could work and possibly assist in finding a match.

Regulatory Guidance

Following up on the information sent to you yesterday by Patrick Smith, I have included below a summary of what we know now from the DFI and NCUA on topics of current interest. This comes from the guidance provided by the NCUA in their letter and FAQ [here](#) and communications we've had with the DFI. Privately Insured credit unions received direction via e-mail from American Share Insurance. The steps they are taking include postponing all onsite field exams scheduled for the next 30 days in lieu of a "remote examination" process and ASI employee contacting credit unions electronically or by phone over the days and weeks ahead. If you have questions, reach out to your member contact at ASI or call 614-973-7700.

Annual Meetings (please note your current directors and officers will remain in place until your annual meeting is held)

- **DFI** – Delays are permitted. Notify the DFI in writing of your intent to postpone.
- **NCUA** – "A FCU has flexibility to postpone its annual meeting....it should provide notice of the rescheduled meeting as required in the FCU Bylaws".

Board Meetings

- **DFI** - TBD. In the meantime, consider conducting meetings by video or teleconference.
- **NCUA** – The FCU Act requires FCU Boards to meet monthly. The FCU bylaws require only one face- to-face board of directors meeting per year. All other meetings may be conducted by video or teleconference. The one in-person meeting requires the actual presence of a quorum of directors, not every director. Absent directors may participate by video or teleconference.

Supervisory Committee/CPA Audits

- **DFI** – The IDFPR is asking credit unions seeking an extension for the Supervisory Audit due April 1 to notify the Department in writing. No new due date on the extension (30 or 60 day) will be required at this time. The DFI will require credit unions provide the Department with updates regarding the progress in completing the audit and to ensure it is on management's priority list.
- **NCUA** – TBD

Loan Modifications

- **DFI** – The credit union must follow a consistent and sound internal policy that is in many cases already in place. Any modification, addition to or deviation of current policies should be well documented and universally applied among the membership in a non-discriminatory manner.
- **NCUA** – "prudent efforts to adjust or alter terms on existing loans in affected areas will not be subject to examiner criticism" and credit unions "may also ease terms for new loans to affected borrowers where prudent".

Branch Closures and Service Interruptions

- **DFI** - A credit union closing their main/sole branch should notify the Department immediately of the closure. Contingency plans should be implemented as they would do so during any disaster situation. Ideally credit unions should try to leverage their online service function as the primary method to conduct business transactions with members. ATMs should be the second best approach followed by utilizing drive up facilities and call centers if available. Credit unions lacking technology service options can accept phone requests and/or consider partnering with larger credit unions to facilitate basic transactions (i.e. using their drive ups in a cooperative manner, etc.). Contingency plans must address the possibility that face-to-face type lobby activity may not be possible for a sustained period of time. As always, credit unions conducting business using any outside party should confirm with their bonding company they are covered (example: employees from CU-A doing transactions for CU-B and CU-A uses CUNA Mutual and CU-B uses Aetna for their bond).
- **NCUA** - There is no federal law or regulation that requires FCUs to be open certain hours or days or that would prevent a FCU from closing its offices. Credit unions have the flexibility to make reasonable, good faith decisions to close branches and offer members services available through other channels such as by phone, at automated teller machines, or via online and mobile platforms. This can include situations where advance notice is not feasible as a closure may need to occur quickly. Decisions to close branches can be ratified by the credit union board by email or at the next board meeting. Credit unions do not need to notify NCUA of branch closures unless there is an interruption in vital member services exceeding two days, in which case credit unions have five days to notify their regional director.

Operational Status

- **DFI** - The Credit Union Section along with exam staff are working remotely at this time and will communicate via email and mobile devices. State chartered credit unions are encouraged to reach out via telephone or email directly to the IDFPR Credit Union Section or their designated examiner regarding any examination, administrative or operational related questions, including examination status/schedule, waivers, and pending regulatory approvals.
- **NCUA** - All examination related staff are required to be offsite through at least March 30. This policy will be reevaluated at least every two weeks and is subject to change. Generally staff will not schedule onsite exam work until further notice. NCUA may conduct onsite work at a credit union if necessary to deal with an exigent circumstance. Examiners may take advantage of technology to securely exchange information, and will use phone and videoconference capabilities to interact with credit union management. Other regional office staff will operate by phone.

Here are summary results of the credit union survey we sent out yesterday:

Please indicate which type(s) of assistance, if any, your CU is offering members affected by COVID-19

- 7 New loan products (e.g. payroll advance, 0% personal loan, deferred payment, etc.)
- 17 Modifications to existing loans (e.g. skip-a-payment, reduced interest, etc.)
- 8 Fee waivers
- 6 Other services (e.g. financial counseling, debt consolidation, credit protection, etc.)
- 14 None at this time - business as usual
- 7 Other

Please indicate the type(s) of measures you are taking to protect your members and communicate with your members

- 23 Limiting in-person visits inside CU office
- 28 Promoting online, mobile and call center services

- 21 Communicate to members using email
- 21 Communicate to members via social media
- 16 Communicate to members via poster, signage, etc. at office(s)
- 6 Other

Please indicate the type(s) of measures you are taking to protect your staff

- 14 Reducing staff for in-person transactions
- 12 Allowing staff to work from home
- 13 Wearing gloves while handling cash or other precautionary measures
- 9 Other

Are you experiencing any of the following out of the ordinary member transactions

- 8 Excessive cash withdrawals
- 0 Excessive cash deposits
- 1 Increased loan demand
- 4 Other

Warm Regards,



Tom Kane
President/CEO
Illinois Credit Union League