



# THE NAFCU 12

## TWELVE TOPICS FOR IMMEDIATE ACTION

NAFCU is leading the fight for action in these 12 important credit union issues that should be addressed in the Congressional lame duck session and with regulators in the transition to a new Administration. Acting on these issues now will help credit unions respond to the challenges they are facing under the pandemic and economic recovery.

- 1. Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Reform.** Ensure passage of the National Defense Authorization Act (NDAA) that includes long-sought BSA/AML reforms and improve the process for obtaining beneficial ownership information.
- 2. Paycheck Protection Program (PPP) Improvements.** Work with Congress to improve the PPP program, including reopening the program for struggling member businesses and obtaining additional flexibilities for loan forgiveness, including simplified forgiveness for lower dollar loans and the removal of Economic Injury Disaster Loan (EIDL) advances from counting against forgiveness amounts.
- 3. Prompt Corrective Action (PCA) Relief.** Work with the NCUA to ensure the regulatory capital relief in the PCA interim final rule is extended into 2021.
- 4. Relief from Unexpected Share Growth.** Obtain relief for credit unions crossing significant asset thresholds as a result of unexpected share growth during the pandemic.
- 5. Extension of Troubled Debt Restructuring (TDR) relief provisions.** Ensure the TDR relief provisions in the CARES Act are extended into 2021 and additional flexibility is granted where needed.
- 6. Extension of Central Liquidity Facility (CLF) Enhancements.** Ensure the CLF enhancements in the CARES Act are extended into 2021 and made permanent where appropriate.
- 7. Capitalization of Interest.** Urge the NCUA to quickly finalize its proposed rule removing the regulatory prohibition on capitalizing interest on loan workouts and modifications so that credit unions can more easily assist their members affected by the pandemic.
- 8. Capital Reform.** Seek expanded capital flexibilities for credit unions, including urging the NCUA to finalize the subordinated debt proposed rule, modify and delay the Risk-Based Capital (RBC) rule, and obtain additional relief on Current Expected Credit Losses (CECL).
- 9. Reevaluation of Qualified Mortgage (QM) Rulemaking.** Urge the Bureau to delay the current rulemaking and continue to evaluate the GSE Patch as permanent solution or, at least, adopt an 18-24 month transition period, to ensure credit unions can continue to lend to their members and access the secondary mortgage market.
- 10. Protect Defense Credit Union Leases.** Ensure removal of language from the Senate National Defense Authorization Act (NDAA) that would require the Department of Defense to treat banks and credit unions the same when it comes to leases on military bases in the final version of the NDAA.
- 11. Technical Fixes for Provisions in Tax Cuts and Jobs Act (TCJA).** Work with Congress as it considers tax extenders, to provide technical fixes to the TCJA, including addressing the discrepancy between the excise tax on for-profit and not-for-profit executives under the TCJA.
- 12. Provide More Access to Capital for Credit Union Small Business Members.** Seek temporary relief from the arbitrary credit union member business lending (MBL) cap for loans to small businesses that are trying to recover from the pandemic. Credit unions have experienced a growth in small business members during the pandemic as many have turned to them for PPP loans. The cap hampers the ability of credit unions to serve them beyond PPP loans as they recover.