

What is NCUA doing to provide regulatory relief and forbearance for federally insured credit unions impacted by Hurricane Wilma?

NCUA recognizes that the needs and situations of each affected credit union and its members are unique. The actions discussed are not all inclusive and may not be feasible or desirable for all affected credit unions. NCUA, state regulators, and trade associations will continue to monitor the situation and identify the needs of federally insured credit unions and their members.

Under the Disaster Assistance Policy ([NCUA News Release 10-24-05](#)), NCUA will, where necessary:

- Encourage CUs to make loans with special terms and reduced documentation to affected members.

Guidance: Special loan terms may include reduced interest rates and extended maturities (not to exceed the regulatory limits). Credit unions may temporarily establish reduced documentation requirements for affected members such as waiving the need for copies of pay stubs, tax returns, written verification of employment, or other documents that may be difficult or impossible for affected members to obtain. We suggest that where possible, credit unions obtain credit reports for affected borrowers.

- Reschedule routine examinations of affected credit unions if necessary.

Guidance: NCUA may guarantee a line of credit (LOC) for credit unions that may have exceeded their LOC limit and need additional or backup liquidity sources to meet members' needs. Credit unions should contact their examiner and or regional office to determine eligibility requirements for this type of assistance.

- Provide NCUSIF guaranteed lines of credit for credit unions.
- Make loans to meet liquidity needs of member credit unions through the Central Liquidity Facility (CLF).
- Provide material and technical assistance to affected credit unions.

Federal Credit Unions May Assist Other Credit Unions and Non-members in the Affected Area ([NCUA News Release 08/31/05](#))

If a federal credit union decides it has the ability to provide assistance to other credit unions and non-members in the affected area, it may do so under these conditions:

1. A federal credit union may provide services to persons who are members of another credit union under their correspondent services authority.
2. Emergency financial services for non-members, including check cashing, access to ATM networks, or other services to meet short-term emergency needs of person in the areas affected by Hurricane Katrina, can be provided under the authority to engage in charitable activities. Federal

credit unions providing services on a charitable basis may not impose charges for services that exceed their direct costs.

NCUA, jointly with the banking agencies that regulate FDIC-insured institutions, issued a temporary ruling (Joint Release 9/2/05) that allows federal credit unions to provide assistance consistent with safe and sound practices. Such assistance may include:

- Waiving ATM fees for members and non-members
- Increasing ATM daily cash withdrawal limits
- Easing restrictions on cashing out-of-state and non-customer checks
- Waiving overdraft fees as a result of paycheck interruption
- Waiving early withdrawal penalties on time deposits
- Waiving availability restrictions on insurance checks
- Easing credit card limits and credit terms for new loans
- Allowing loan customers to defer or skip some payments

Guidance: Credit unions may choose to defer or reduce loan payments for up to 3 months. Credit unions may consider whether to continue allowing deferment of payments for an additional 3 months on a case-by-case basis. Credit unions may consider reducing loan payments for up to 18 months, or in more severe cases, creating longer payback plans. Any such extended assistance should be considered on a case-by-case basis based upon the individual needs of the borrowers.

- Waiving late fees for credit card and other loan balances due to interruption of mail and/or billing statements or the customer's inability to access to funds

Guidance: Credit unions may choose to waive late fees for affected members.

- Delaying delinquency notices to the credit bureaus

Guidance: Credit unions may choose to not report to credit bureaus deferred or late payments that resulted from Katrina and to suspend all late fees, collections and foreclosure activities in the storm-affected areas during the 3-month deferral period.

Customer Identification Programs Required under the Bank Secrecy Act May be Modified ([Joint Release 9/2/05](#))

- Credit unions in the affected area, or serving new customers from the affected area, are encouraged by NCUA (in consultation with FinCen and the other banking agencies) to take a reasonable approach to verifying the identity of individuals under the Customer Identification Program of the Bank Secrecy Act.
- Credit unions in the affected areas, or dealing with new members from the affected areas, may amend their Customer Identification Programs immediately and obtain board approval for program changes as soon as practicable.
- On September 13, 2005, NCUA issued [Regulatory Alert 05-RA-06](#) to provide specific guidance on compliance with BSA when opening accounts or processing transactions for persons affected by Hurricane Katrina. [Link to Regulatory Alert 05-RA-06.](#)