



**NCUA**  
National Credit Union Administration

# Chairman's Webinar

**February 11, 2021**

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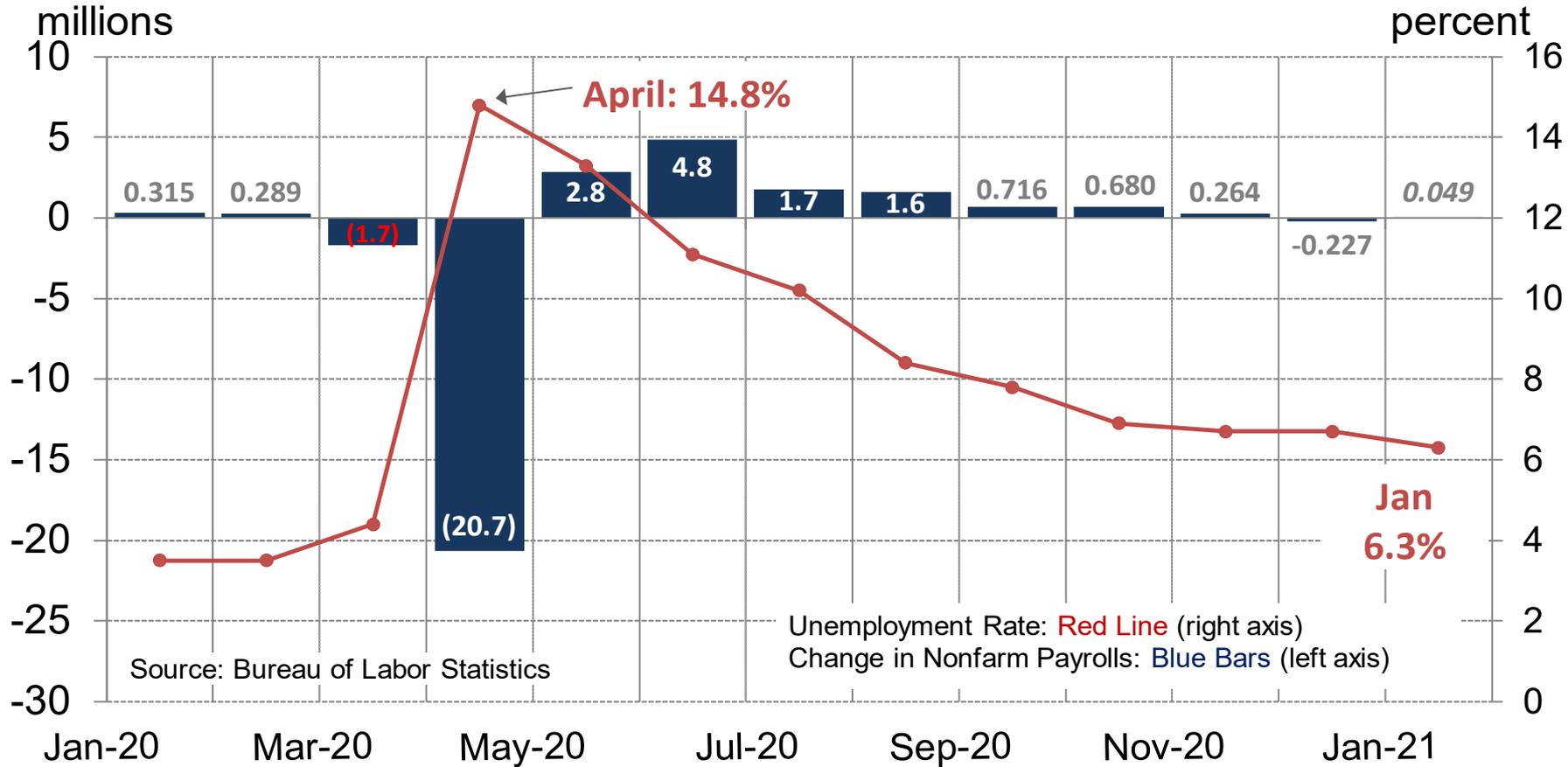
Chairman Todd M. Harper  
**OPENING REMARKS**

Andy Leventis, Chief Economist

**CURRENT ECONOMIC ENVIRONMENT  
& NEAR-TERM OUTLOOK**

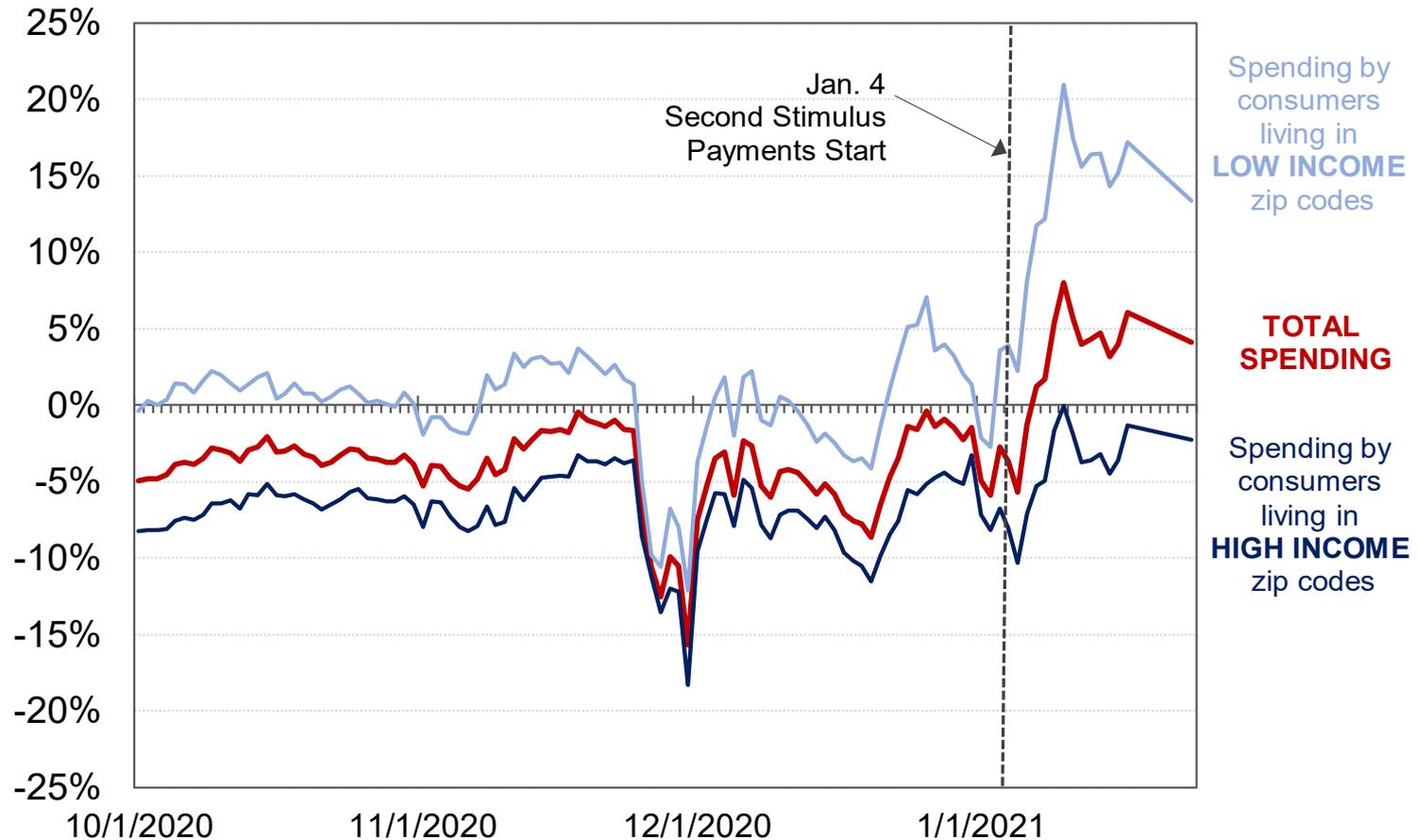
# Labor Market News

## Unemployment Rate and Change in Nonfarm Payrolls



# Consumer Spending News

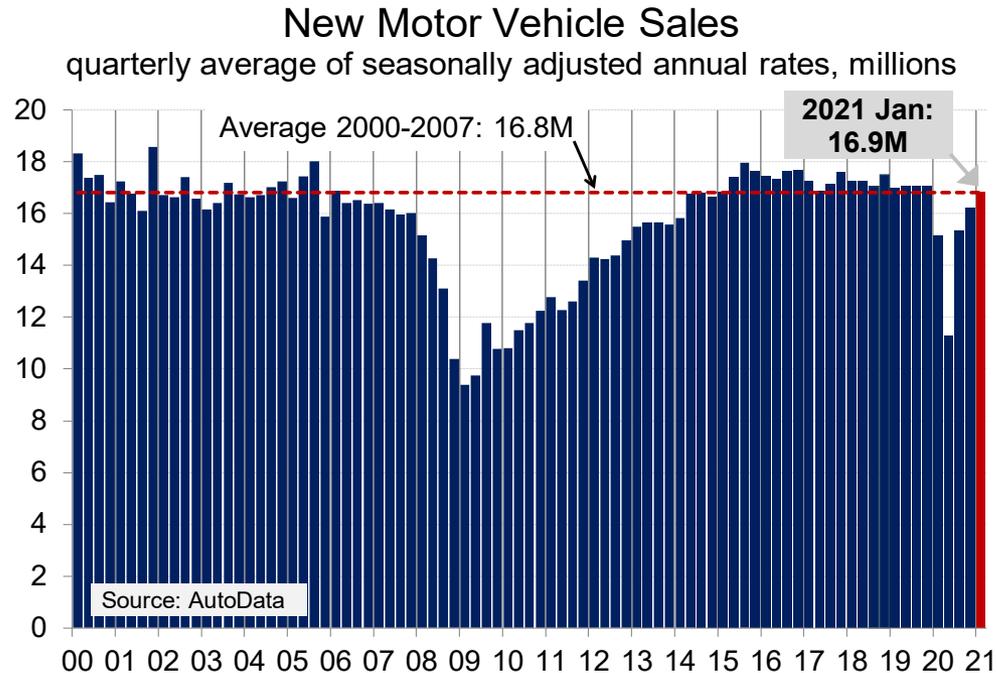
Credit/Debit Card Spending relative to January 4 - 31, 2020  
seasonally adjusted 7-day moving average, %



Source: Opportunity Insights Economic Tracker, <https://tracktherecovery.org/>. See "The Economic Impacts of COVID-19: Evidence from a New Public Database Built Using Private Sector Data", by Raj Chetty, John Friedman, Nathaniel Hendren, Michael Stepner, and the Opportunity Insights Team. November 2020. Available at: [https://opportunityinsights.org/wp-content/uploads/2020/05/tracker\\_paper.pdf](https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf)

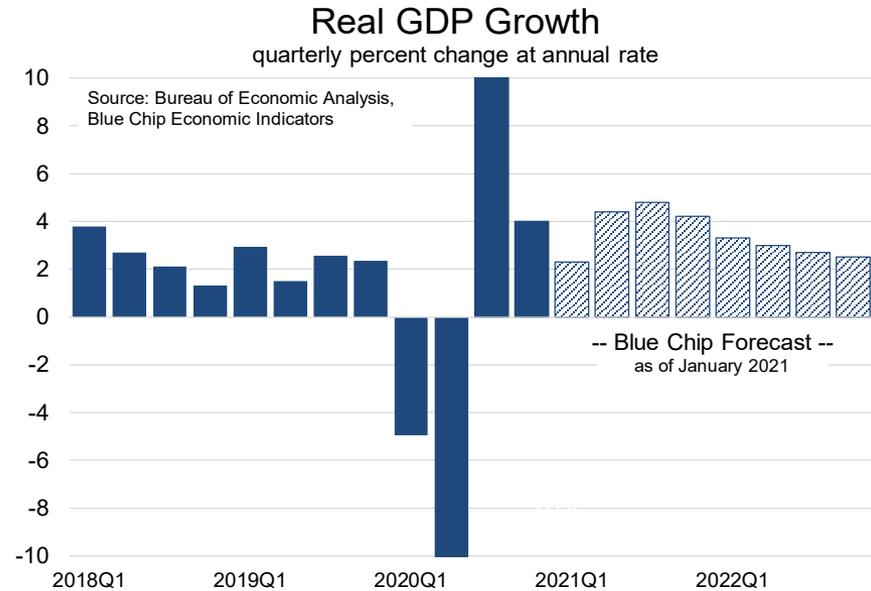
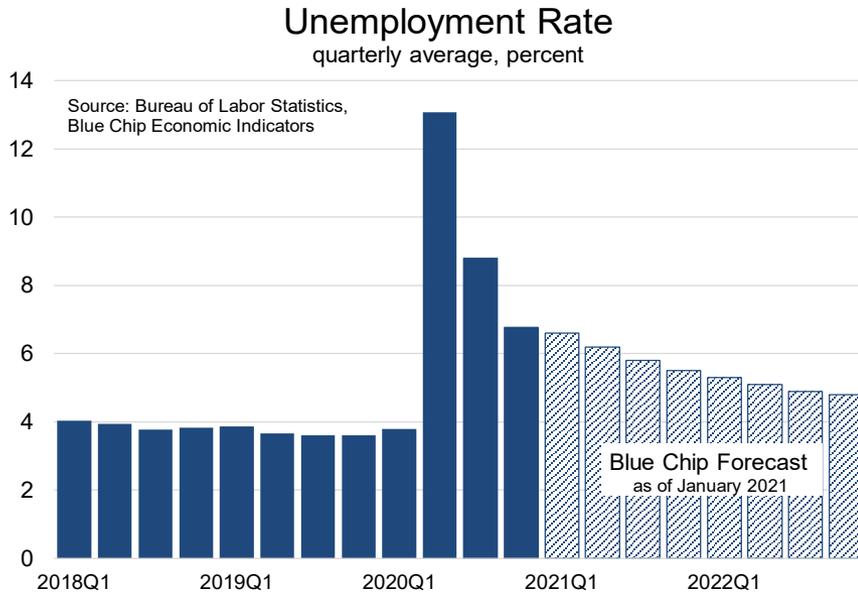
# Relevant Industry News

- **Housing/Mortgage Markets**
  - ✓ Home Price Growth has been very robust
  - ✓ The pace of Existing Home Sales remains strong
- **Auto Lending**
  - ✓ New Motor Vehicle sales have now recovered.



# Forecasts for the Road Ahead

- Expectation: Shrinking unemployment and reasonably strong GDP growth.



- Challenges Ahead

Myra Toeppe, E&I Director

**NCUA'S SUPERVISORY  
PRIORITIES AND  
CONCENTRATION RISK  
PROGRAM**

# Supervisory Priorities 2021

- ALLL reviews/CECL Compliance Delays
- Credit risk management reviews
- CARES Act/CAA compliance reviews
- Consumer financial protection
- IT/Cybersecurity exam program
- Robust reviews of *liquidity risk* as of a result of the COVID-19 economic impact

# Cont. Supervisory Priorities and MERIT

- **Maintained supervisory priorities**
  - Bank Secrecy Act/Anti-Money Laundering
  - LIBOR transition planning
  - Serving hemp-related businesses
- **MERIT/NCUA Connect delays**

# Concentration Risk

- **Concentration Risk Program**
- **Largest Concentration Risk Exposures**
- **Identification and Management**
- **Examiner Review Procedures**
- **Conclusion**

Frank Kressman, General Counsel

**CONSOLIDATED APPROPRIATIONS  
ACT SUMMARY**

Martha Ninichuk, Director of Credit Union  
Resources and Expansion

**Consolidated Appropriations Act, 2021  
Emergency Capital Investment Program  
(ECIP)**

# ECIP Program

## Program

The Emergency Capital Investment Program (ECIP) is instituted by the Consolidated Appropriations Act, 2021, and established in the Treasury of the United States.

\$9 billion in capital to assist those communities in low-income and underserved communities, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic.



# ECIP Eligibility

## Eligible credit unions must be:

- A Community Development Financial Institution - “CDFI”, or
  - A Minority Depository Institution - “MDI”.
- 
- Not designated in Troubled Condition (as defined under 12 C.F.R. 700.2).
  - Not subject to formal enforcement action addressing unsafe or unsound lending practices.

# Eligibility – who can apply?

		ECIP Eligible			Secondary Capital Eligible		
		Total	FCU	FISCU	Total	FCU - LICU	FISCU - LICU
<b>Totals</b>		747	544	203	634	477	157
<b>MDI Only</b>		508	410	98	406	346	60
<b>CDFI Only</b>		313	188	125	300	184	116
<b>Both MDI and CDFI</b>		74	54	20	72	53	19

- Secondary Capital Eligible indicates that a FICU with either a MDI or CDFI designation is also a LICU.
- CDFI count includes only when a FICU.

# ECIP Application Information

- To be eligible to receive a capital investment under the Program, an eligible credit union must complete the Emergency Capital Investment Program Application Form.
- The form can be located at: U.S. Department Of The Treasury  
<https://home.treasury.gov/policy-issues/cares/emergency-capital-investment-program>
- For each application received, Treasury will consult with NCUA to determine whether the credit union may receive a capital investment under the Program.
- Responses to the Emergency Investment Program Application, including the Emergency Investment Lending Plan, may be used to determine investment amounts or prioritization of determinations.

# Application Structure

Two Sections:

## 1. Emergency Capital Investment Program

- Ten questions
- General applicant information

## 2. Emergency Investment Lending Plan

- Four questions
  - Lending to LMI and Other Targeted Populations
    - Detailed look at loans originated by the Applicant over the past 2 fiscal years to “borrowers that create direct benefits for LMI populations”.
  - Business Strategy to Address Community Development Needs
  - Emergency Lending Plan, includes three sub questions
  - Community Outreach and Communication

# Additional Information

Further information is available as to:

- Financial Instrument Terms
  - Program Appropriations and Restrictions
  - Secondary Capital Application-Credit unions with NCUA's low income designation (LICU), may submit a Secondary Capital plan as per NCUA Part §701.34 to recognize the ECIP amount as Net Worth.
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- <https://www.ncua.gov/coronavirus>

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# Questions?

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Chairman Todd M. Harper

**CLOSING REMARKS**