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## League InfoSight Highlight: Small Asset Size Credit Unions

Small Asset Size Credit Unions are vital to our system! We know just how tough it is to do everything that the larger credit unions do, but on a smaller scale. Here is a summary of some of the agency rules that provide flexibility and ease of burden for smaller institutions. While the list is not all-inclusive, it's a starting point to make sure you are taking advantage of some of this relief.

### **NCUA CECL – Simplified Tool**

Intended for credit unions under \$100 million in assets, this [simplified tool](#) provides a methodology for credit unions to determine the Allowance for Credit Losses (ACL) on loans and leases in their loan portfolio.

### **NCUA Small Credit Union Examination Program**

The [NCUA's way](#) of streamlining the examination process for small federal credit unions with a record of solid performance. Credit Unions with assets less than \$10 million and a CAMEL rating of 1, 2, or 3 will be targeted for the program.

### **NCUA – Liquidity and Contingency Funding Plans**

Credit unions with less than \$50 million in assets must maintain a [basic written policy](#) that provides a framework for managing liquidity and includes a list of contingent liquidity sources that can be employed under adverse circumstances.

### **CFPB – Small Servicer Mortgage Rules**

Generally, a credit union is a small servicer when (together with affiliates) they service 5,000 or fewer mortgage loans where they are the creditor or assignee. There are a number of exemptions to the mortgage servicing rules that small

servicers may qualify for, check out page 31 of the [CFPB's Small Entity Compliance Guide](#).

### **CFPB – Home Mortgage Disclosure Act (HMDA)**

Credit unions under \$54 million (adjusted annually) are exempt from the reporting requirements under the Home Mortgage Disclosure Act. There are other components as well, such as having a branch in a metropolitan statistical area. The [CFPB's Small Entity Compliance Guide](#) provides a nice overview of the exemptions and requirements!

### **CFPB – Small Creditor**

Being a [small creditor](#) under the CFPB rules allows for certain exemptions. Credit unions under \$2.537 billion in assets (adjusted annually) are considered a small creditor under the rules. The first exemption is related to maintaining escrow accounts for higher-priced mortgage loans. If the credit union doesn't already maintain escrow accounts (along with a few other requirements) and are a small creditor, they may qualify for an exemption.

As a small creditor, there are also two additional qualified mortgage options available for credit unions:

- Small Creditor Qualified Mortgage
- Balloon Payment Qualified Mortgage

**Glory LeDu,**  
*CEO, League InfoSight and CU Risk Intelligence*

**SOMETIMES IT'S HARD  
TO BE SMALL**

**InfoSight**

**HAS RESOURCES FOR EVEN THE SMALLEST CREDIT UNION**



**News and Alerts!**

**Federal and State Financial Agencies Issue Interagency  
Statement on Practices Regarding Institutions Affected by  
Hurricane Idalia**

The Federal Deposit Insurance Corporation, the Federal Reserve Board, the National Credit Union Administration, the Office of the Comptroller of the Currency, and state financial regulators, collectively the agencies, recognize the serious impact of Hurricane Idalia on the customers and operations of many financial institutions and will provide appropriate regulatory assistance to affected institutions subject to their supervision.

[Read More](#)

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## **NCUA Women Recruitment Virtual Outreach Event**

The NCUA is hosting a Women Recruitment Virtual Event on September 22, 2023. Meet recruiters at this free national hiring event with nationwide opportunities for jobseekers.

[Read More](#)

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## **CFPB Blog: As payments on federal student loans resume, federal student loan borrowers may be eligible for cancellation or lower payments**

In October, millions of federal student loan borrowers will have a payment due on their loans for the first time since March 2020. Many borrowers may be able to reduce their payments or even get their loans cancelled, and they should explore their options before making payments.

[Read More](#)

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## **COMMENTS CLOSING SOON:**

### **Comments on Proposed Reconsiderations of Value of Residential Real Estate Valuations Guidance**

Comments must be received by September 19.

[Read More](#)

## Preparing for the CU PolicyPro & RecoveryPro Product Combination



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Questions, Comments, Concerns? We are here to help! Email us at  
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