



The National Voice of the State Credit Union System

May 24, 2021

Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: NASCUS Comments on Interim Final Rule: CLF 2021—NCUA—2021— 0037

Dear Secretary Conyers-Ausbrooks:

The National Association of State Credit Union Supervisors (NASCUS)¹ submits this letter in response to the National Credit Union Administration's (NCUA) request for comments on RIN 3133-AF15, Interim Final Rule: Central Liquidity Facility (CLF).² This Interim Final Rule (IFR) would amend NCUA Rules and Regulations Part 725, Central Liquidity Facility, to cohere with statutory changes made to the CLF resulting from the enactment of the Consolidated Appropriations Act, 2021 (CAA).³ The CAA extended through December 31, 2021 the sunset of several CLF enhancements first made by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The CLF remains an important source of liquidity for its credit union members and the credit union system as a whole. As we noted in our comments in response to NCUA's 2020 Interim Final Rule, NASCUS supports the changes to the Central Liquidity Facility and we continue to urge NCUA to seek permanent enhancements to the CLF's ability to serve the credit union system.⁴ Increasing the CLF's borrowing authority, permitting corporate credit unions to borrow for their own needs, matching an agent's stock subscription obligation to the agent's members that wish to borrow, making it easier for credit unions to join and withdraw from the CLF, and giving the CLF broader leeway to approve borrowings substantially contributes to the safety and soundness of the credit union system. Allowing these improvements to sunset until the next economic crisis would be a lost opportunity.

Finally, we concur with the issuance of this proposal as an interim final rule. Particularly in this case, where NCUA's changes are cohering to statutory changes made by Congress,

¹ NASCUS is the professional association of the nation's 45 state credit union regulatory agencies that charter and supervise over 2,000 state credit unions. NASCUS membership includes state regulatory agencies, state chartered and federally chartered credit unions, and other important stakeholders in the state system. State chartered credit unions hold over half of the \$1.87 trillion assets in the credit union system and are proud to represent nearly half of the 125 million credit union members.

² "Interim Final Rule: Central Liquidity Facility" 86 Fed. Reg. 15568 (March 24, 2021).

³ Consolidated Appropriations Act, 2021, Public Law 116-260, 134 Stat 1182 (December 27, 2020).

⁴ NCUA Interim Final Rule: CLF, 85 Fed. Reg. 83, at 23731 (April 29, 2020). See NASCUS Comments on Interim Final Rule: CLF (RIN 3133-AF18) (June 29, 2020). Available at <https://www.nascus.org/comment-letters/nascus-comments-on-interim-final-rule-clf-rin-3133-af18/>.

May 24, 2021

NASCUS Comments
Interim Final Rule
Central Liquidity Facility

making an exception to the public policy of advance notice and comment dictated by the Administrative Procedure Act is compelling.⁵

Thank you for the opportunity to provide comments on NCUA IFR: Central Liquidity Facility. NCUA should interpret its own authority broadly to make as many of the CLF changes permanent that it can and seek Congressional action for other changes as needed. A more flexible, responsive, and robust CLF is good for the credit union system. It is also sound public policy. We would be happy to discuss our comments further at your convenience.

Sincerely,

- signature redacted for electronic publication -

Brian Knight
Executive Vice President & General Counsel

⁵ 15 U.S.C. §553.