



NCUA
National Credit Union Administration

NCUA's COVID-19 Emergency Fund Initiative Guidelines

Updated April 10, 2020



NCUA

National Credit Union Administration

[This page intentionally left blank]

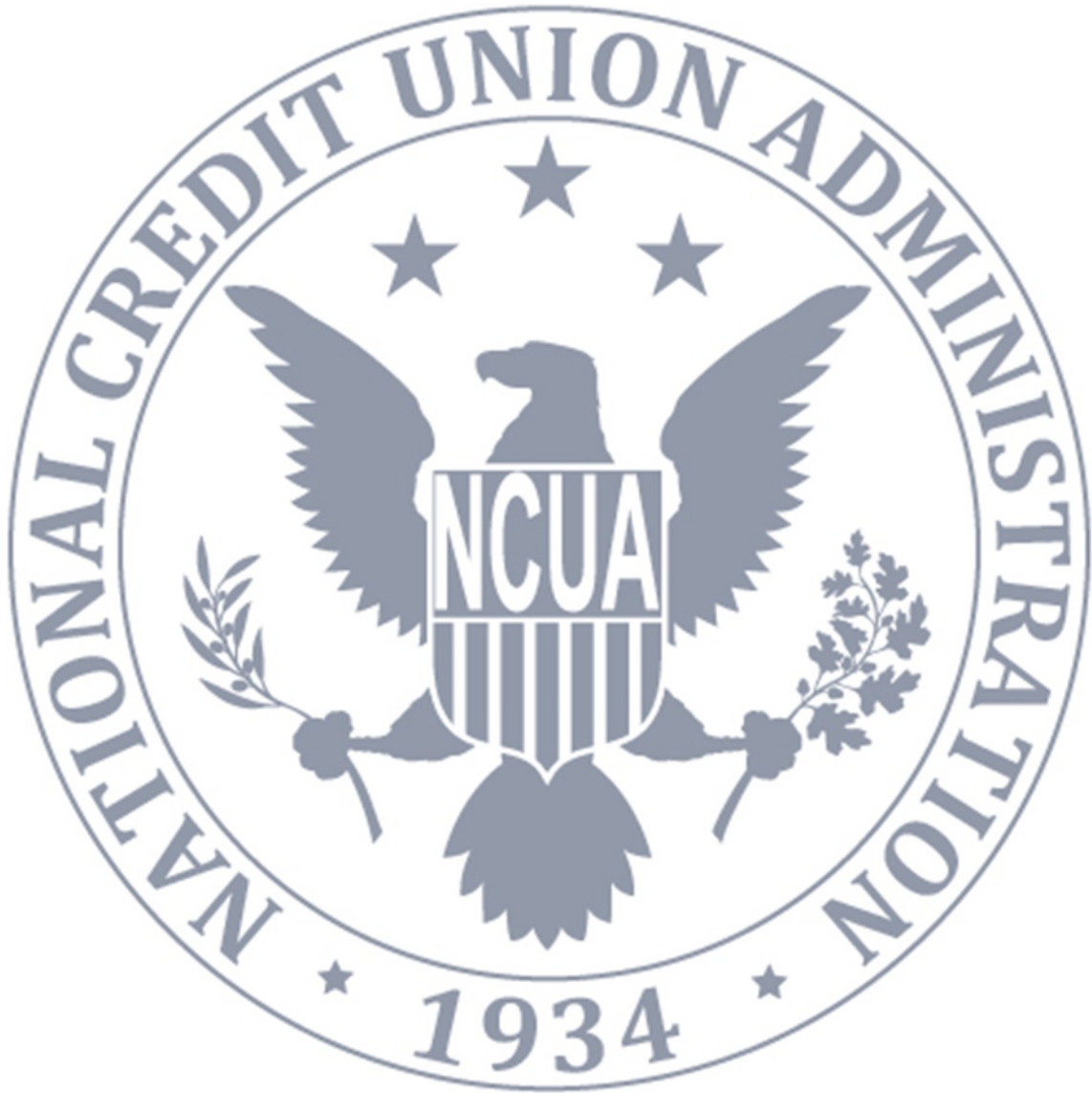




Table of Contents

Program Overview	4
Critical Dates.....	4
Emergency Fund Program Details	5
• General Characteristics.....	5
• Maximum Award Amount	5
• Permissible Uses of Funds.....	5
• Required Application Information and Materials.....	6
• Loan Terms.....	7
• Grant Terms.....	7
Eligibility and Administrative Requirements.....	7
Post-Award Requirements.....	8
• Impact Report	8
• Accountability	9
• Reimbursement Request.....	9
Contact Information	9



Program Overview

The coronavirus pandemic is an unprecedented challenge and every sector of society is doing its part to help slow the spread of the coronavirus, which causes the illness known as COVID-19. The NCUA recognizes that the coronavirus will impact credit unions and their members to varying degrees. Through the Community Development Revolving Loan Fund (CDRLF), the NCUA developed the COVID-19 Emergency Fund Initiative to provide grants and interest-free loans to assist low-income designated credit unions (LICUs) in responding to this national crisis. The NCUA intends to support the efforts of LICUs through emergency funding needed to respond to COVID-19 related emergencies and hardships. The CDRLF consists of Congressional appropriations that are administered by the NCUA.

The NCUA earmarked approximately \$800,000¹ in grants and \$4 million in loans to support the efforts of credit unions responding to the unexpected and unforeseen challenges of COVID-19 and alleviate the impact of the crisis. The NCUA will relax the following administrative and programmatic CDRLF requirements for the COVID-19 Emergency Fund Initiative:

1. The NCUA will allow credit unions that have incurred expenses related to COVID-19 to apply for grants awarded under this initiative.
2. The NCUA will offer credit unions a 3 year interest-free, balloon note loan award under this initiative. The maximum loan amount for this initiative is capped at the \$250,000 per credit union.

The NCUA hopes that taking these measures will further assist credit unions in responding to the current situation and make the application process for emergency funds easier.

Specific details about the NCUA's COVID-19 Emergency Fund Initiative such as eligible uses of funding, maximum award amount, and application information for each award category is located in the "Emergency Fund Program Details" section of this document.

Critical Dates

March 27, 2020 – The grant round opens at 9 a.m. Eastern Time (ET). Applications are available electronically through the [NCUA's CyberGrants System](#).

¹ The NCUA reserves the right to adjust the amount of awards as the availability of funds may change.



May 22, 2020 – All applications must be submitted by 11:59 p.m. ET. Applications are available electronically through the [NCUA's CyberGrants System](#).

August 31, 2020 – On a rolling basis, culminating on August 31, the NCUA will notify applicants and announce awards by email from CUREAPPS@ncua.gov. An official NCUA press release will announce all awards by this date.

*All dates are subject to change.

Emergency Fund Program Details

The NCUA's COVID-19 Emergency Fund is intended to help credit unions assist members experiencing economic hardships due to the coronavirus, particularly members that are most impacted by the situation. Credit unions may apply for emergency funding to address the financial needs of their members.

The COVID-19 Emergency Fund includes two types of awards: an emergency grant and an emergency loan. This section will outline specific details about the each type of award such as eligible uses of funding, maximum award amounts, terms and conditions, and required application information.

General Characteristics

- Credit unions may only apply for one type of emergency award, a grant or loan.
- Each application must include a narrative about the credit union's proposed plan to support its impacted members with the emergency funds.
- Each application must provide a summary about the economic challenges their members are experiencing due to the coronavirus.

Maximum Award Amount

- The maximum grant amount is \$10,000.
- The maximum loan amount is \$250,000.

Permissible Uses of Funds

The NCUA will consider proposals for various emergency uses of funds. A non-exhaustive list of permissible uses is listed below. The NCUA will consider other proposed uses of funds that are not listed if it determines the proposal to be consistent



with the intent of the COVID-19 Emergency Fund Initiative.

- Offering rental/mortgage and utility payment assistance to heavily impacted members such as entrepreneurs, small business owners, and hospitality and service industry employees.
- Offering loan payment relief to impacted members.
- Developing a new product or service for impacted members, such as offering preloaded cards for members.

Required Application Information and Materials

Credit unions will be required to provide the following information. The NCUA may request additional information and materials from credit unions if necessary.

- **Award Type** – Select the type of award your credit union is applying for (emergency grant or emergency loan). Credit unions may only apply for one award.
- **Award Amount** – The amount your credit union is requesting for the initiative. The credit union may receive up to \$10,000 for a grant and \$250,000 for a loan. Awards will not exceed the maximum amount.
- **Total Projected Cost of the Emergency Proposal** – Enter the total projected cost for the proposal.
- **Project Narrative** – Provide a short narrative describing the credit union’s proposed plan to support its impacted members with the emergency funds and describe the financial challenges that members are experiencing due to the coronavirus.
- **Expected Proposal Deliverables** – Identify metrics by which the success of the project can be measured. Describe the outputs (activities, products, or services to be delivered) and outcomes (expected benefits or other positive changes) to be received by your credit union. Every output and outcome should clearly address the following:
 - Who will complete the output or will be the beneficiary of the outcome?
 - What is the activity or result expected to be achieved?
 - By what date will the output be delivered and the outcomes be effective?
 - How much will be done or accomplished? Outputs must be easily measurable.
 - How will you know the result was achieved?



Loan Terms

- **Maturity** – This loan will mature in three years. A credit union may request a shorter loan period, but in no case will the term exceed five years.
- **Interest Rate** – There will be no interest rate applied to loans awarded under this initiative throughout the full term of the loan.
- **Repayment** – All loans must be repaid to the NCUA regardless of how they are accounted by the credit union. The entire principal is due at maturity. There is no penalty for principal prepayment. Principal prepayments may be made as often as monthly.

Grant Terms

- **Selection of Awardees** – First, the NCUA will rank each application from an MDI credit union in ascending order based on the credit union’s asset size. Then, all non-MDI credit unions will be ranked in ascending order based on the credit union’s asset size. Priority will be given to small credit unions and credit unions experiencing liquidity hardships. There is no tiebreaker needed because asset size is used in the ranking criteria. The NCUA will make awards on a first-come, first-serve basis until the earmarked funds are fully exhausted.
 - Applications from credit unions with less than \$100 million in assets will be reviewed on a weekly basis.
 - Credit unions with assets of \$100 million and greater will be completed at the end of the review period.
- **Expenses** – Grant expenses must be related to the credit union’s efforts responding to the coronavirus.
- **Period of Performance** – The period of performance for grants awarded under this initiative will be from February 1 to July 17, 2020. Expenses incurred by credit unions during this period are authorized, if your application is approved.
- **Reimbursement Request** – Reimbursement requests for grants awarded under this initiative are due to NCUA by January 31, 2021.
- **Disbursement** – Disbursements will be made to the credit union only. Payments to credit union officials and personnel will not be made.

Eligibility and Administrative Requirements



All credit unions must complete the following steps before registering for the [NCUA's CyberGrants system](#) and submitting an application. The NCUA's CyberGrants system will not recognize credit unions that have not completed each requirement.

1. Ensure your low-income designation (LID) is active.
2. Obtain a Data Universal Number System (DUNS) number.
3. Activate a System for Award Management (SAM) account.

Low-Income Designation

A low-income designation from the NCUA is required to apply for the NCUA's CDRLF programs. State chartered credit unions must have the equivalent low-income designation from their respective state supervisory authority. For information on how to obtain the LID visit the [NCUA's website](#).

Data Universal Number System (DUNS)

The DUNS number is a unique nine-character number used to identify your organization. The federal government uses the DUNS number to track how federal money is allocated. You can obtain a DUNS number by visiting the [Dun & Bradstreet \(D&B\) website](#) or calling 1-866-705-5711 to register or search for a DUNS number. Registering for a DUNS number is **FREE**.

System for Award Management (SAM)

SAM is a web-based, government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes. An active SAM account status and CAGE number is required to apply for a CDRLF grant. Credit unions that have an existing registration with SAM must recertify and maintain an active status annually. The SAM registration and recertification process is **FREE**. First-time SAM users can register by following the instructions in the [Quick Start Guide for New Registrations](#). Existing users can recertify or renew their SAM account status by following the instructions in the [Quick Start Guide for Renewing Registrations](#).

Post-Award Requirements

Impact Report

The NCUA will require credit unions to submit an impact report and notify you by email. The email will include the deadline to complete it. Not submitting a complete impact report by the deadline may result in future CDRLF applications being rejected or considered non-compliant. Impact reports should reflect implementation activities for the duration of the project thus far.



Accountability

Failure to comply with the requirements of this program may result in the credit union being ineligible for participation in future CDRLF funding opportunities or suspension or debarment from federal funding, in accordance with 2 CFR §200.338.

Reimbursement Request

The final post-grant award activity is the reimbursement request. All NCUA grants are reimbursements. Credit unions must use their own funds for the approved project according to the terms and conditions of the grant agreement, then request a reimbursement for the eligible expenses incurred. In general, each reimbursement request requires credit unions to provide an outcome summary, proof of payment and purchase documents, and certification the grant funds were used accordingly. The specific requirements for each initiative may be subject to change but will be outlined in the post award guidance provided by the NCUA to grant awardees.

Contact Information

If you need to get in touch with someone regarding the CDRLF program, send your request by e-mail to CUREAPPS@ncua.gov. Please allow 48 to 72 hours for a response. Below is the contact information for other service areas of CURE.