

# Rules and Regulations

Federal Register

Vol. 85, No. 77

Tuesday, April 21, 2020

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## DEPARTMENT OF AGRICULTURE

### Rural Housing Service

#### 7 CFR Part 1951

[Docket No. RHS–20–CF–0011]

#### Notification of Direct Loan Payment Deferrals for the Community Facilities Direct Loan Program

**AGENCY:** Rural Housing Service, USDA.

**ACTION:** Temporary policy.

**SUMMARY:** The Rural Housing Service, hereinafter referred to as the Agency, will temporarily allow borrowers with direct loans within the Community Facilities (CF) Program to request payment deferrals during the period specified in the **DATES** section of this notification. This temporary authorization applies to CF direct loan borrowers who are experiencing temporary cash flow issues due to the Coronavirus (COVID–19) pandemic. The Agency will provide the option of principal and interest payment deferrals to borrowers impacted by COVID–19 for up to one year due to hardship on a case-by-case basis.

**DATES:** This policy is effective May 12, 2020 and the temporary authorization to request payment deferrals under this notification expires on September 30, 2020.

**FOR FURTHER INFORMATION CONTACT:** Anita Outen, Community Facilities, at 202–720–1497 or via email at [Anita.Outen@usda.gov](mailto:Anita.Outen@usda.gov).

**SUPPLEMENTARY INFORMATION:** CF has the statutory authority to defer principal and interest payments in accordance with 7 U.S.C. 1981a of the Consolidated Farm and Rural Development Act, section 331A. Beginning immediately and through September 30, 2020, the Community Facilities Direct Loan Program may assist borrowers that are temporarily unable to continue making payments of principal and interest due because of temporary cash flow issues

resulting from the COVID–19 pandemic, by deferring payments for a period no longer than one year from the date the original payment is due. The borrower must request any payment deferrals from the Agency in writing. The State Directors have the authority to approve the payment deferral on loans where the aggregate balance of principal and interest on the loan is \$10 million or less. Any loans over that amount will require Agency Administrator approval. Any deferral request for a CF project that has both a CF Direct Loan and a CF Guaranteed Loan, where the request will modify the parity arrangement that is presently in place or that has a different deferral term, will require Agency Administrator review and concurrence. The Agency will notify the borrower when payment deferral requests do not meet the Agency's requirements. The Agency does not consider a loan that is under a deferral agreement to be a delinquent loan. After September 30, 2020, borrowers must resume obtaining Agency approval in accordance with all applicable program regulations, forms, and existing authorities. This guidance applies to all borrowers that had a current repayment status as of March 1, 2020. Borrowers that were delinquent prior to March 1, 2020 will continue to be serviced under 7 CFR part 1951, subpart E, and 7 CFR part 1956, subpart C.

**Paperwork Reduction Act:** In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the information collection activities associated with this notification are covered under OMB Number: 0575–0066. This notification contains no new reporting or recordkeeping requirements that would require approval under the Paperwork Reduction Act of 1995.

**Submissions:** The Agency is requiring the following information from the CF direct loan borrowers to be considered for a deferral of payments pursuant to this notification:

1. A brief narrative addressing how the COVID–19 pandemic has impacted the operation of the facility and hindered the borrower's cash flow indicating that the circumstances were beyond the borrower's control. The narrative should also include the borrower's name and account information as well as a proposed operations plan that addresses

scheduled loan repayment at the end of the agreement. The proposed plan can include reamortization of the remaining payments within the original loan term after the deferral period expires. All proposals should be in accordance with the CF servicing regulations outlined at 7 CFR part 1951, subpart E;

2. The borrower must provide documentation, such as but not limited to: a statement of cashflows or current income and expenses approved by an official of the borrower, a statement of temporary closure approved by an official of the borrower, or a proclamation or order from a government entity requiring temporary closure or significant reduction of facility operations. The documentation must substantiate the narrative provided under item #1; and

3. Form RD 1951–10, Community Programs Workout Agreement will be signed by both parties prior to executing any payment deferral action.

The borrower should contact the appropriate State Office by telephone to discuss the request for payment deferral prior to submitting the required documents. The State Office contact information is available at: <https://www.rd.usda.gov/contact-us/state-offices>. Unpaid interest accruing during a deferral agreement is not subject to the limitation of the accrued interest under 7 CFR 1951.221(a)(2)(ii).

**Bruce W. Lammers,**

*Administrator, Rural Housing Service.*

[FR Doc. 2020–08429 Filed 4–17–20; 4:15 pm]

**BILLING CODE 3410–XY–P**

## FEDERAL DEPOSIT INSURANCE CORPORATION

### 12 CFR Part 324

RIN 3064–AF49

#### Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans; Correction

**AGENCY:** Federal Deposit Insurance Corporation.

**ACTION:** Final rule; correcting amendment.

**SUMMARY:** The Federal Deposit Insurance Corporation (FDIC) is correcting its rule text in conjunction with the interagency interim final rule

that appeared in the **Federal Register** on April 13, 2020, titled “Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans.” This correction is necessary to conform the FDIC’s rule text to the regulations of the other federal banking agencies that issued that interagency interim final rule.

**DATES:** Effective April 21, 2020.

**FOR FURTHER INFORMATION CONTACT:**

**FDIC:** Michael Phillips, Counsel, [mphillips@fdic.gov](mailto:mphillips@fdic.gov); Catherine Wood, Counsel, [cawood@fdic.gov](mailto:cawood@fdic.gov); Francis Kuo, Counsel, [fkuo@fdic.gov](mailto:fkuo@fdic.gov), Supervision Branch, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** On April 13, 2020, the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and the FDIC (collectively, the agencies) published a final rule “Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans” (PPPL final rule).<sup>1</sup> In the wake of economic disruptions caused by COVID–19, the Board of Governors of the Federal Reserve System authorized each of the Federal Reserve Banks to participate in the Paycheck Protection Program Lending Facility (PPPL Facility), pursuant to section 13(3) of the Federal Reserve Act, to provide liquidity to small business lenders and the broader credit markets, to help stabilize the financial system, and to provide economic relief to small businesses nationwide. The PPPL final rule allows banking organizations to neutralize the regulatory capital effects of participating in the facility.

The PPPL final rule permits banking organizations to exclude exposures pledged as collateral to the PPPL Facility from a banking organization’s total leverage exposure, average total consolidated assets, advanced approaches-total risk-weighted assets, and standardized total risk-weighted assets, as applicable. The PPPL final rule also amends section 32 of the FDIC’s regulatory capital rule to clarify that PPP covered loans originated by a banking organization under the Paycheck Protection Program will receive a zero percent risk weight.<sup>2</sup>

This correcting amendment will add a new § 324.131(e)(3)(viii) to the FDIC’s regulatory capital rule in conformance

with the regulatory capital rules of the other federal banking agencies.

For the reasons stated in the preamble, the FDIC corrects 12 CFR part 324 as follows:

**PART 324—CAPITAL ADEQUACY OF FDIC-SUPERVISED INSTITUTIONS**

■ 1. The authority citation for part 324 continues to read as follows:

**Authority:** 12 U.S.C. 1815(a), 1815(b), 1816, 1818(a), 1818(b), 1818(c), 1818(t), 1819(Tenth), 1828(c), 1828(d), 1828(i), 1828(n), 1828(o), 1831o, 1835, 3907, 3909, 4808; 5371; 5412; Pub. L. 102–233, 105 Stat. 1761, 1789, 1790 (12 U.S.C. 1831n note); Pub. L. 102–242, 105 Stat. 2236, 2355, as amended by Pub. L. 103–325, 108 Stat. 2160, 2233 (12 U.S.C. 1828 note); Pub. L. 102–242, 105 Stat. 2236, 2386, as amended by Pub. L. 102–550, 106 Stat. 3672, 4089 (12 U.S.C. 1828 note); Pub. L. 111–203, 124 Stat. 1376, 1887 (15 U.S.C. 780–7 note); Pub. L. 115–174; Pub. L. 116–136, 134 Stat. 281.

■ 2. Amend § 324.131 by adding paragraph (e)(3)(viii) to read as follows:

**§ 324.131 Mechanics for calculating total wholesale and retail risk-weighted assets.**

\* \* \* \* \*

(e) \* \* \*

(3) \* \* \*

(viii) The risk-weighted asset amount for a Paycheck Protection Program covered loan as defined in section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) equals zero.

\* \* \* \* \*

Federal Deposit Insurance Corporation.

Dated in Washington, DC, on April 15, 2020.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 2020–08361 Filed 4–20–20; 8:45 am]

**BILLING CODE 6714–01–P**

**NATIONAL CREDIT UNION ADMINISTRATION**

**12 CFR Part 701**

**RIN 3133–AF15**

**Temporary Regulatory Relief in Response to COVID–19**

**AGENCY:** National Credit Union Administration (NCUA).

**ACTION:** Temporary final rule.

**SUMMARY:** The NCUA Board (Board) is temporarily modifying certain regulatory requirements to help ensure that federally insured credit unions (FICUs) remain operational and liquid during the COVID–19 crisis. Specifically, the Board is temporarily raising the maximum aggregate amount

of loan participations that a FICU may purchase from a single originating lender to the greater of \$5,000,000 or 200 percent of the FICU’s net worth. The Board is also temporarily suspending limitations on the eligible obligations that a federal credit union (FCU) may purchase and hold. In addition, given physical distancing policies implemented in response to the crisis, the Board is tolling the required timeframes for the occupancy or disposition of properties not being used for FCU business or that have been abandoned. These temporary modifications will be in place until December 31, 2020, unless extended.

**DATES:** This rule is effective from April 21, 2020 through December 31, 2020.

**FOR FURTHER INFORMATION CONTACT:**

**Policy and Analysis:** Amanda Parkhill, Director, Policy Division, Office of Examination and Insurance, at (703) 518–6360; **Legal:** Ariel Pereira, Staff Attorney, Office of General Counsel, at (703) 518–6540; or by mail at: National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314.

**SUPPLEMENTARY INFORMATION:**

- I. Background
- II. Legal Authority
- III. Section-by-Section Analysis
- IV. Regulatory Procedures

**I. Background**

The COVID–19 pandemic has created uncertainty for FICUs and their members. The Board is working with federal and state regulatory agencies, in addition to FICUs, to assist FICUs in managing their operations and to facilitate continued assistance to credit union members and communities impacted by the coronavirus. As part of these ongoing efforts, the Board is temporarily modifying certain regulatory requirements to help ensure that FICUs remain operational and liquid during the COVID–19 crisis. The Board has concluded that the amendments will provide FICUs with necessary additional flexibility in a manner consistent with the NCUA’s responsibility to maintain the safety and soundness of the credit union system. The temporary amendments are effective upon publication and will be in place through the end of calendar year 2020, unless the Board takes action to extend their effectiveness.

In general, two of the temporary amendments will expand the authority of FICUs to purchase loans and participations in loans, thereby enhancing their ability to meet liquidity needs. Specifically, the Board is temporarily raising the maximum aggregate amount of loan participations

<sup>1</sup> 85 FR 20387 (April 13, 2020).

<sup>2</sup> See the definition of “total capital” in the FDIC’s capital rules in 12 CFR 324.2.