

# DID YOU KNOW?

## Credit Bureau Reporting During COVID-19

### Understanding the Responsibilities of the Credit Union

You have likely seen documentation, webinars, emails, etc. in the last several weeks regarding credit reporting for your members and what actions your credit union should take. If you are like most lenders, the data stream coming in is like trying to take a drink from a fire hose.

Many of you are asking the question: **What are we actually required to do?**

The requirement piece is addressed below. There are two overarching documents that govern credit reporting and the proper method for reporting loans in forbearance or member loans that are delinquent as a result of the coronavirus outbreak.

The first item is the CARES Act section 4021. This is a federal law and states:

*“(ii) REPORTING.—Except as provided in clause (iii), if a furnisher makes an accommodation with respect to 1 or more payments on a credit obligation or account of a consumer, and the consumer makes the payments or is not required to make 1 or more payments pursuant to the accommodation, the furnisher shall—*

*“(I) report the credit obligation or account as current*

The second item is the revised Interagency Statement dated April 7, 2020. This comes directly from the NCUA, among others:

#### *Past Due Reporting*

*With regard to loans not otherwise reportable as past due, financial institutions are not expected to designate loans with deferrals granted due to COVID-19 as past due because of the deferral. A loan’s payment date is governed by the due date stipulated in the legal agreement. If a financial institution agrees to a payment deferral, this may result in no contractual payments being past due, and these loans are not considered past due during the period of the deferral*

Neither Congress nor our regulators are dictating what data needs to be filled out and how. Any documentation or guidelines that reference a specific reporting format or data elements from external sources such as credit bureaus or trade associations are not regulatory requirements nor should they be considered legal advice.

CU\*Answers recommends that credit unions seek the advice and counsel of their compliance and legal professionals to ensure the proper steps are taken to:

- Report a particular loan as current, and/or
- Report a loan delinquent that was in a delinquency status prior to the pandemic.

Even if a loan is granted forbearance, the reporting status remains the same as it was prior to the date outlined in the CARES Act.

If you opt to adjust the credit reporting settings for a member, there are a few fields that can be manually changed within CU\*BASE. The changes are done via the Credit Reporting Information tab accessed from **Tool #20 Update Account Information:**

1. Select Status code " 11" which reports the account as current.
2. Choose the Credit bureau comments code " AW" which means affected by natural or declared disaster, or "CP" which means account in forbearance.

We understand that you are working with your members to make accommodations on loans and determining the best decision for the members and the credit union. We encourage you to become familiar with what is required and to explore available options in CU\*BASE as noted above. Lender\*VP is here to assist you!

### Links to regulatory guidance mentioned in this document:

CARES Act section 4021 <https://www.congress.gov/bill/116th-congress/house-bill/748/text?loclr=bloglaw#H1274B87B2B204ACA95F8CoD8228925C2>

Interagency Guidance <https://www.ncua.gov/files/press-releases-news/interagency-statement-tdr-policy-revised.pdf>

### Need help configuring or have questions?

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