



DATE May 4, 2020
TO Member Credit Unions
FROM Larry Eisenhauer, President/CEO
RE Central Liquidity Facility Announcement & COVID-19 Weekly Update

Central Liquidity Facility Announcement

The Coronavirus Aid, Relief, and Economic Security Act or CARES Act includes important legislative changes that strengthen the Central Liquidity Facility or CLF. Although the changes are currently temporary and sunset December 31, 2020, they considerably increase the CLF's borrowing capacity and allow corporate credit union's to act as Agent on behalf of its credit union members. The Act permanently eliminates the 6-month waiting period for a new member to receive a loan, as well as permanently eases collateral requirements. Temporarily, the Act amends the waiting period for a credit union to terminate its CLF membership and temporarily permits an Agent Member to borrow for its own liquidity needs. CLF membership provides both individual and systemic benefits by serving as a form of liquidity insurance for individual credit unions, including corporate credit unions, temporarily, and the broader credit union system. Collectively, upon learning of the changes included in the Act, corporate credit unions began working together to provide access for member credit unions to this additional liquidity option.

At our April board meeting, the Millennium Corporate Board of Directors instructed management to invest the appropriate amount in CLF stock to act as Agent on behalf of our member credit unions with assets under \$250 million through December 31, 2020. (Credit unions with assets \$250 million and above are already subject to additional liquidity measures that includes direct CLF membership or access to the FRB Discount Window.) The stock purchase of \$21,388,385 will be facilitated this week.

Millennium Corporate will follow up individually with each credit union for which stock was purchased to complete the necessary paperwork, one additional step to take now to shorten the loan processing time-frame later, should a credit union request a CLF loan. Credit unions with assets \$250 million and above can also email questions to Heather Seiler, Executive Assistant, heather@millenniumcorporate.org.

Other important COVID-19 updates since Monday, April 20, 2020 -

- Kansas and Missouri to cease official shelter-at-home effective Sunday, May 3rd. Montana orders were lifted the last week of April. St. Louis has extended their order to be evaluated later in May. Millennium Corporate will extend the remote worker schedule through May 31st and re-evaluate the need to extend the expiration date at that time.
- Continuity Management Program (CMP) Team meetings continue to share updates across all departments.
- Communication continues with our regulators, the Kansas Department of Credit Unions and the National Credit Union Administration, our member credit unions and corporate credit union allies.
- The 2020 Annual Meeting was held virtually Friday, April 24, 2020. A recording of the meeting is available in My Millennium and the 2019 Annual Report is available on the Communications > Member Resources > Financial Reports page.