Coronavirus Disease 2019 (COVID-19) Frequently Asked Questions for National Banks and Federal Savings Associations

Updated April 27, 2020

The OCC is working closely with other regulators and federal agencies to ensure the federal banking system continues to operate in a safe, sound, and fair manner throughout the national emergency related to COVID-19, commonly known as the coronavirus. The OCC has developed the following set of questions and answers for OCC-regulated institutions. Additional information is available on the OCC's COVID-19 page.

Bank Operations

What is the Payment Protection Program Liquidity (PPPL) facility and what are regulatory capital effects for using the facility?

On April 6, 2020, the Federal Reserve announced the creation of the Paycheck Protection Program Liquidity Facility (PPPLF), which provides liquidity to small business lenders and the broader credit markets in response to the current COVID-19 national emergency. The PPPLF facilitates lending to small businesses via the SBA's Paycheck Protection Program (PPP) by providing term financing backed by PPP loans. On April 16, 2020, the Federal Reserve announced its PPPLF is operational and available to provide liquidity to eligible financial institutions.

The federal banking agencies issued an Interim Final Rule on April 9 which modifies the agencies' capital rules to neutralize the regulatory capital effects for participating in the PPPL as there is no credit or market risk in association with PPP loans pledged to the facility. The interim final rule also clarifies that a zero perfect risk weight applies to loans covered by the PPP for capital purposes.

The rule is effective immediately and comments be will accepted for 30 days after publication in the Federal Register.

How does FEMA Bulletin W-20002 affect the force placement requirement under the Flood Disaster Protection Act and the implementing regulation?

The Federal Emergency Management Agency (FEMA) announced in Bulletin W-20002 that the grace period to renew National Flood Insurance Program (NFIP) policies that expire between February 13, 2020, and June 15, 2020, (FEMA emergency period) has been extended from 30 days to 120 days due to the COVID-19 emergency.

OCC's flood insurance force placement regulation (12 CFR 22.7) provides that when a bank makes a determination that the flood insurance policy covering a designated loan has expired, it must notify the borrower. If the borrower does not provide evidence of sufficient coverage within 45 days after notification, the bank must force place flood insurance.

In light of Bulletin W-20002, for NFIP policies expiring during the FEMA emergency period, the OCC does not expect to take supervisory or enforcement action against a bank for reasonable delays in complying with the requirements of 12 CFR 22.7 in connection with the 120-day grace period, provided that the bank made good faith efforts to support borrowers and comply with the force placement requirements, as well as responded to any needed corrective action identified in supervisory feedback.

Banks should be aware that if they force place flood insurance for NFIP policies that expire during the FEMA emergency period prior to the expiration of the 120-day grace period and the borrower pays the premium by the end of the 120-day grace period, then the bank would be required to refund the borrower for any overlapping flood insurance coverage.

Is there any relief for banks in regard to real estate appraisals and evaluations due to the COVID-19 national emergency?

Yes. On April 14, 2020, the federal banking agencies issued an Interim Final Rule to temporarily defer certain real estate-related appraisals and evaluations in response to the COVID-19 national emergency. Under this rule, certain appraisals and evaluations can be deferred for up to 120 days after closing of residential or commercial real estate loan transactions. Transactions involving acquisition, development, and construction of real estate are excluded from this rule. These temporary provisions will expire on December 31, 2020, unless extended by the federal banking agencies.

In addition, the federal financial institution regulatory agencies, in consultation with the state banking regulators, issued an interagency statement to address challenges relating to appraisals and evaluations for real estate-related financial transactions affected by COVID-19. The interagency statement outlines existing flexibilities in industry appraisal standards for physical property inspections, describes temporary changes to Fannie Mae and Freddie Mac appraisal standards, and existing exceptions in appraisal regulations.

Can the OCC provide any additional details on the Small Business Administration (SBA) programs from the Coronavirus Aid, Relief, and Economic Security (CARES) Act?

The OCC issued Bulletin 2020-31, “Small Business Administration Lending: New Programs for Small Business Relief,” which provides awareness to national banks and federal savings associations on the various SBA programs outlined in the CARES Act. The OCC encourages banks to consider prudently using these programs and will not criticize banks’ efforts to assist small business borrowers who have been affected by COVID-19. Individuals wishing to learn more about the Paycheck Protection Program, the Economic Injury Disaster Loan and Loan Advance Program, and the Debt Relief Program should review the following guidance:

- SBA, “Coronavirus (COVID-19): Small Business Guidance & Loan Resources”
- SBA, “Paycheck Protection Program (PPP)”
- U.S. Department of the Treasury, “The CARES Act Provides Assistance for Small Businesses”

The OCC’s Office of Innovation is facilitating a series of calls regarding issues and possible technology solutions related to the SBA program. It recently announced a series of listening sessions to facilitate discussions on payroll verification, fraud identification, and back-end processes. Listening sessions are used to inform the OCC and participants about topics, issues, or concerns of stakeholders such as banks and nonbanks, including financial technology (fintech) companies.

The Office of Innovation may facilitate additional discussions on the SBA program if needed.

What changes did the Coronavirus Aid, Relief, and Economic Security (CARES) Act make to the community bank leverage ratio (CBLR) framework?

In response to section 4012 of the CARES Act, the federal banking agencies issued two interim final rules addressing the CBLR framework. The interim final rules apply to qualifying community banks with less than $10 billion in total consolidated assets that meet other prudential criteria and opt into the CBLR framework.

The first interim rule temporarily sets the CBLR requirement equal to or greater than 8 percent for the remainder of 2020 for those banks that meet certain other criteria and elect to use the CBLR framework.

The second interim rule provides community banks with sufficient time and clarity to meet the CBLR requirements of greater than 9 percent beginning January 1, 2022. This allows banks to focus on supporting lending to creditworthy borrowers during the COVID-19 national emergency.

In addition, a bank that elects to use the CBLR framework, but temporarily fails to meet all of the qualifying criteria, will have a two-quarter grace period to return to compliance, provided the bank maintains a leverage ratio that falls no more than 1 percent below the applicable CBLR.

The interim final rules will be effective upon publication in the *Federal Register*. The agencies will accept comments up to 45 days after publication.

What is the Standardized Approach for Counterparty Credit Risk (SA-CCR) and does it apply to my bank?

The Standardized Approach for Counterparty Credit Risk (SA-CCR) is a new regulatory approach that banks may adopt for determining a bank's exposure amount of derivative contracts. If a bank elects to adopt the SA-CCR method, the bank must adopt the SA-CCR method for all derivative contacts, not only for a subset of its derivative contacts. A bank may adopt some of the other amendments described in the SA-CCR rule regardless of whether it chooses to adopt the SA-CCR method.

The SA-CCR rule was effective April 1, 2020, and the mandatory compliance date will remain January 1, 2022.

How long may COVID-19 live on paper money?

The CDC has not issued any guidance related to the coronavirus and paper currency at this time. The OCC encourages banks to review the CDC's guidance for businesses and employers on how to best protect their employees and customers.

Are banks allowed to accept Treasury or Internal Revenue Service (IRS) checks via mobile deposit?

Yes. Banks can accept Treasury and IRS checks via mobile deposit just as banks accept these checks at branches or automated teller machines. The bank accepting these or any checks via remote deposit, however, will have to indemnify a bank that subsequently accepts the original check for deposit. Please see 12 CFR 229.34(f)(2) for additional information.

When should banks look at implementing alternative work schedules such as working from home or staggering work hours?

Banks should function in a manner that continues to meet the essential banking needs of their communities while balancing the safety and needs of their employees. Banks should consider appropriate opportunities for certain employees to work from home to reduce risks. Similarly, staggered shifts, leveraging technologies, and limited branch hours are other considerations.

The Centers for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration (OSHA) have developed guidance for businesses and employers on how to best protect their employees and customers. Please refer to their guidance:

- CDC: Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 (COVID-19)
- OSHA: Guidance on Preparing Workplaces for COVID-19

Many state and local authorities have issued stay-at-home proclamations in response to the COVID-19 outbreak; however, the financial services industry is designated as a critical infrastructure sector by the Department of Homeland Security (DHS). How should banks determine essential staff to continue operations?

On March 22, 2020, Treasury Secretary Steven Mnuchin issued a memorandum stating that the financial services sector is a Critical Infrastructure Sector as identified by the Department of Homeland Security (DHS). With this designation, financial services sector employees have a special responsibility to maintain normal work schedules to ensure continuity of functions critical to public health and safety, as well as economic and national security. Employees who are deemed Essential Critical Infrastructure Workers include those who

- process and maintain systems for processing financial transactions and services.
- provide customers access to banking and lending services.
- support financial operations.
- provide core services through key third-party providers.

Please refer to the DHS guidance, which provides additional guidance on the Essential Critical Infrastructure Workforce and strategies for safeguarding employee health.

What proof or documentation is needed for those bank employees who are deemed essential critical infrastructure workers and therefore may need to be on the road during a state or local stay-at-home proclamation?

To reduce the burden on employees who may need to travel to support critical functions, banks should provide the following documents to their essential employees:

- Paper copy of the Cybersecurity and Infrastructure Security Agency's (CISA) "Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response."
- Paper copy of the U.S. Department of the Treasury's "Statement by Secretary Steven T. Mnuchin on Essential Financial Services Workers."
- Documentation, on bank letterhead, detailing work-related travel and how it aligns with the financial services sector list of essential critical infrastructure workers.
- Company identification card.

Banks should also engage local law enforcement and other authorities responsible for enforcing stay-at-home and similar orders to identify local requirements and communicate the need for employee travel consistent with CISA guidance.

Can a bank close a branch or temporarily reduce access due to COVID-19?

Yes, in the absence of a Comptroller proclamation or in the case of any emergency or event, bank management has discretion to act prudently and responsibly to ensure the safety of human life and to safeguard banking assets (tangible and intangible). The OCC understands that banks may need to *temporarily* close branches or otherwise reduce access to a facility because of staffing challenges or to take precautionary measures. The OCC encourages banks to reduce disruptions to their customers, provide alternative service options when practical, reopen affected facilities when safe to do so, and notify customers of such disruptions and alternative services.

In the event a state or local official designates a legal holiday for emergency reasons, banks may choose to close or remain open.

How do you recommend keeping confidential bank information safe while working outside of the bank?

Employees working from home should use secure communications, such as a virtual private network (VPN), when working with sensitive information. Employees should appropriately store and safeguard sensitive information while working at home. Telephone conversations dealing with sensitive customer or employee information should be guarded in a home environment. Bank management should provide consistent and clear guidance on how to handle sensitive customer, bank, and employee information to all employees working at home.

Banks should remind employees that cyber criminals are very active during these times of stress. Remind employees of good cybersecurity practices such as not opening email or documents from unknown sources or clicking on unknown links. Be extra vigilant by using call-backs or verbal confirmation with bank staff and customers.

What is the short-term investment fund (STIF) interim final rule?

The STIF rule applies to national banks acting in a fiduciary capacity. As the financial markets are in a period of significant stress, which negatively affects the ability of banks to operate in compliance with maturity limits identified in the rule, the interim final rule allows the OCC to authorize banks to temporarily extend maturity limits of these funds.

The interim final rule is effective as of March 22, 2020. The OCC will accept comments for 45 days following publication in the *Federal Register*.

The OCC announced an order extending the maturity limits for STIFs affected by the market effects of COVID-19. The OCC determined that the relief provided by this administrative order will terminate on July 20, 2020, unless the OCC revises this order before that date.

What guidance is available for service providers in terms of managing their capacity when most people start to work from home?

Bank management should be in contact with all critical providers to assess capacity and availability issues.

Bank Secrecy Act (BSA)

Is there any relief on the filing of Bank Secrecy Act (BSA) reporting obligations such as Currency Transaction Reports or Suspicious Activity Reports during the national emergency related to COVID-19?

On April 3, 2020, the Financial Crimes Enforcement Network (FinCEN) issued an update to its March 16 COVID-19 notice to assist banks in complying with their BSA obligations during the COVID-19 pandemic and announced a new contact mechanism for urgent COVID-19-related issues.

Banks wishing to submit COVID-19-related communications to FinCEN must go to https://www.fincen.gov/, click on “Need Assistance,” and select “COVID-19” in the subject drop-down list. Banks are also encouraged to contact the OCC as soon as practicable if they have BSA compliance concerns related to COVID-19. Banks should keep FinCEN and the OCC apprised of circumstances as they change.

The notice also addresses beneficial ownership information collection requirements for existing customers, BSA reporting obligations, and updates to currency transaction report (CTR) filing obligations, and encourages innovative approaches to meet BSA/anti-money laundering (AML) compliance obligations. Please refer to FinCEN’s COVID-19 notice for additional information.

Cash Management

Can a bank change its cash withdrawal limits? Are any OCC notices required to change withdrawal limits?

Banks should consider their applicable account agreements; Regulations E, CC, and DD; applicable state laws; safe and sound banking practices, and their on-going obligations to comply with the filing requirements of the Bank Secrecy Act (BSA) when setting or changing any cash withdrawal limits.

Banks are not required to submit an OCC notice or obtain approval prior to changing cash withdrawal limits. Banks are encouraged to discuss any significant cash supply issues or general liquidity with the appropriate supervisory office.

What if our bank experiences a disruption to our cash supply?

The OCC encourages banks to contact the appropriate Federal Reserve Bank or Branch or work with other depository institutions to manage cash supplies. Banks should be in contact with their third-party courier services to ensure timely delivery of cash and develop contingency plans to limit potential disruptions.

Should banks use the Federal Reserve Bank's "discount window"?

The OCC encourages banks to use the "discount window" to continue supporting households and businesses. The discount window provides short-term loans to banks and plays an important role in supporting the liquidity and stability of the federal banking system.

What is the money market mutual fund liquidity facility (MMLF) interim final rule and when is the rule effective?

The MMLF is a liquidity facility created by the Federal Reserve Bank of Boston to prevent disruption in the money markets and support the overall economy. The MMLF enhances the liquidity and functioning of money markets and supports the flow of credit to households and businesses.

The interim final rule modifies the federal banking agencies' capital rules and permits banking organizations to receive credit for the low risk of their MMLF activities, ensuring banks can effectively use the liquidity facility. The interim final rule neutralizes the effects of purchasing assets through the program on a bank's risk-based and leverage capital ratios. Specifically, a bank may exclude from its total leverage exposure its average total consolidated assets, advanced approaches total risk-weighted assets, and standardized total risk-weighted assets. The change only applies to activities with the MMLF.

The interim final rule was effective as of March 19, 2020. Comments will be accepted for 45 days after publication in the *Federal Register*.

Communication

What type of communication is recommended to inform customers of a bank's response to COVID-19?

Banks are encouraged to communicate with their customers and employees and provide services during this extraordinary situation. Using a variety of communication methods such as email, text messages, automated calls, and website postings may ensure key messages are received by the bank's customers and employees. Proactive engagement with customers to notify them of when and where bank services are available can assist customers in dealing with this situation.

What is the recommendation on signage being posted in branches for customers regarding changes in branch hours and safety precautions?

If a bank needs to temporarily close or otherwise reduce access to a facility, the OCC encourages the bank to communicate changes to normal operations to their customers using a variety of communication methods such as physical signage at branches, email, text messages, automated calls, and website postings.

If we need to close a branch because of an infected employee, what is the bank's responsibility in reporting this to customers?

Banks are encouraged to notify their customers as soon as practical of the need to close a branch, the expected duration of the closing, and locations of the closest alternative branches. Provide customers the ability to contact the bank and seek additional information.

The CDC has developed guidance for businesses and employers related to COVID-19. They have also developed a risk matrix to assess risk and recommend mitigating measures. Please refer to these two pieces of guidance for additional information.

- Interim Guidance for Businesses and Employers to Plan and Respond to COVID-19
- Interim US Guidance for Risk Assessment and Public Health Management of Persons with Potential COVID-19 Exposures: Geographic Risk and Contacts of Laboratory-confirmed Case

Community Reinvestment Act (CRA)

Can a bank receive CRA consideration for banking services performed in response to customers affected by COVID-19?

Pursuant to the Community Reinvestment Act (CRA), the OCC will favorably consider retail banking services and retail lending activities that are responsive to the needs of low- and moderate-income individuals, small businesses, and small farms affected by COVID-19; and that are in a financial institution's assessment areas and consistent with safe and sound banking practices. OCC examiners will give CRA consideration and will not criticize prudent efforts to modify or ease the terms on new or existing loans for affected low- and moderate-income customers, small businesses, and small farms. Such practices may help customers to recover or maintain their financial capacity and enhance their ability to service their debt. For additional information, please refer to OCC Bulletin 2020-19, "Pandemic Planning: Joint Statement on Community Reinvestment Act Consideration for Activities in Response to COVID-19."

Can a bank receive CRA consideration for community development activities in response to COVID-19?

Considering the declaration of a national emergency, banks will receive CRA consideration for community development activities as outlined in the bulletin. The pandemic has had a significant economic impact that may extend beyond banks' assessment areas. Therefore, the agencies are reminding institutions that favorable consideration will be given to community development activities that 1) are located in a broader statewide or regional area that includes a bank's CRA assessment area and 2) help to stabilize communities affected by COVID-19, provided that such institutions are responsive to the community development needs and opportunities that exist in their own assessment area(s). CRA consideration for community development activities will be effective through a six-month period after the national emergency declaration is lifted, unless extended by the agencies. For additional information, please refer to OCC Bulletin 2020-19, "Pandemic Planning: Joint Statement on Community Reinvestment Act Consideration for Activities in Response to COVID-19."

Current Expected Credit Losses (CECL) Accounting Standard

Is there any relief on the implementation of the Current Expected Credit Losses (CECL) accounting standard?

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES) was enacted. It allows institutions subject to CECL to elect to delay the applicability of CECL until the earlier of (1) termination of the COVID-19 national emergency or (2) December 31, 2020.

Also on March 27, the OCC and other federal banking regulators issued an interim final rule that allows banking organizations to mitigate the effects of CECL on their regulatory capital. Banking organizations that, before the passage of CARES, were required under U.S. accounting standards to adopt CECL this year can mitigate the estimated cumulative regulatory capital effects for up to two years. This is in addition to the three-year transition period already in place. Alternatively, banking organizations can follow the Capital Transition Rule issued by the banking agencies in February 2019. For additional information, please refer to OCC Bulletin 2020-30, "Regulatory Capital: Joint Statement on the Interaction of the Revised Transition of the CECL Methodology for Allowances With Section 4014 of the CARES Act."

OCC and Supervisory Operations

Will there be any flexibility in submitting the March 31, 2020, Consolidated Reports of Condition and Income (call report) after the official filing deadline?

Yes. On March 25, 2020, the federal banking regulators issued a press release recognizing that banks may need additional time to submit certain regulatory reports due to issues related to COVID-19. The OCC encourages banks to file the March 31, 2020, call report by the filing deadline, but if banks are unable to do so, the OCC will not take action against a bank as long as the report is submitted within 30 days after the official filing deadline. This grace period applies to submission of all three versions of the call report (FFIEC 031, FFIEC 041, and FFIEC 051).

On April 10, 2020, the FFIEC published supplemental instructions to assist banks with completing the first-quarter 2020 call report. The supplemental instructions cover implementation of three interim final rules that revise certain aspects of the regulatory capital rule and affect reporting of regulatory capital. For additional information, please refer to OCC Bulletin 2020-37, "Consolidated Reports of Condition and Income: Revisions to the FFIEC Call Reports and FFIEC 101 for the March 31, 2020, Report Date."

Are the federal banking agencies and state bank regulators working together to communicate a consistent approach on mortgage relief and waiving fees?

The OCC and other federal banking regulators recognize the potential for COVID-19 to adversely affect customers and bank operations. In addition to the various regulators' individual announcements, the federal banking regulators and the Consumer Financial Protection Bureau continue to collaborate with the state regulators on COVID-19 and other issues.

What is the OCC doing to respond to the COVID-19 outbreak?

The OCC is working with the other banking regulators and federal agencies to ensure the banking system operates in a safe, sound, and fair manner throughout the national emergency related to COVID-19. The OCC is providing banks additional flexibility to support the households, businesses, and markets that depend on them.

The OCC remains open and continues to conduct regular business while managing impacts related to COVID-19. To ensure continuity of operations, the agency has activated its pandemic preparedness plan and encouraged employees to telework to the maximum extent possible. International travel has been suspended and domestic travel has been limited to essential travel. Work is being performed remotely where possible to avoid travel.

Does the OCC have the capabilities for banks to submit information and reports remotely?

The OCC encourages banks to send information electronically when practical. The OCC conducts many of its examination activities remotely. Banks should contact their local Examiner-in-Charge to inquire how to use currently available tools most effectively to submit supervisory information. These tools include the Large File Transfer tool found on BankNet.

The OCC also encourages banks to submit all corporate applications either through the Central Application Tracking System (CATS) or through secure email. For additional information, please see OCC Bulletin 2020-20, "Licensing Filings: Use of Electronic Methods for Submission of Licensing Filings."

Are there any plans to cancel upcoming OCC examinations and reschedule them once the COVID-19 outbreak has subsided?

The OCC is evaluating alternative options to conduct our supervisory activities. These include working remotely and maximizing the use of electronic records and communication. We understand the impact this situation is having on bank operations and staff. We encourage banks to discuss the examination schedule with their Examiner-in-Charge.

Is there any regulatory relief to support the completion of regulatory-required letters and reporting when a bank is experiencing a staff shortage?

Bank management seeking specific relief should contact their Examiner-in-Charge to discuss regulatory reporting requirements.

Working With Customers

Are all loan modifications considered Troubled Debt Restructurings (TDR)?

No. Modifications of loan terms do not automatically result in TDRs. According to U.S. GAAP, a restructuring of a debt constitutes a TDR if the creditor, for economic or legal reasons related to the debtor's financial difficulties, grants a concession to the debtor that it would not otherwise consider. Short-term modifications made on a good faith basis in response to COVID-19 to borrowers who were current prior to any relief are not TDRs. This includes short-term (e.g., six months) modifications such as payment deferrals, fee waivers, extensions of repayment terms, or other delays in payment that are insignificant. Borrowers considered current are those that are less than 30 days past due on their contractual payments at the time a modification program is implemented. Please refer to OCC Bulletin 2020-35, "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by COVID-19 (Revised)."

Working with borrowers who are current on existing loans, either individually or as part of a program for creditworthy borrowers who are experiencing short-term financial or operational problems as a result of COVID-19, generally would not be considered TDRs. For modification programs designed to provide temporary relief for current borrowers affected by COVID-19, institutions may presume that borrowers who are current on payments are not experiencing financial difficulties at the time of the modification for purposes of determining TDR status, and thus no further TDR analysis is required for each loan modification in the program.

Modification or deferral programs mandated by the federal or a state government related to COVID-19 would not be TDRs, e.g., a federal or state program that requires all institutions within that state to suspend mortgage payments for a specified period.

Does an increase in Troubled Debt Restructurings (TDR) require a bank to add to its allowance for credit losses?

It depends. A TDR is defined as a debt restructuring granted to a borrower experiencing financial difficulty. If the bank determines the borrower's credit risk has increased, an additional allowance for credit losses may be required. Additionally, a TDR, by the accounting definition, involves a concession. Certain concessions, such as principal reductions and term extensions, must be considered when evaluating the appropriateness of the allowance for credit losses.

What are the regulatory ramifications for a bank from recognizing Troubled Debt Restructurings (TDR)?

TDR is an accounting and reporting designation that does not determine a loan's past due status, nonaccrual status, or regulatory credit risk grade. A TDR is, by the accounting definition, a debt restructuring granted to a borrower experiencing financial difficulty. The length of non-payment and severity of the borrower's financial difficulties determines the past due status, nonaccrual status, and regulatory credit risk ratings.

Additionally, the TDR designation does not generally cause a loan to become ineligible to be pledged as collateral. Institutions intending to pledge loans as collateral should refer to the applicable eligibility criteria.

What are my obligations if a customer with a federally backed mortgage loan experiences financial hardships due to COVID-19 and requests forbearance?

On April 3, 2020, the OCC, along with the other federal financial institution regulatory agencies and the state banking regulators, issued an interagency statement on mortgage servicing that provides needed regulatory flexibility to enable mortgage servicers to work with struggling consumers affected by COVID-19. The statement clarifies the application of the Regulation X mortgage servicing rules to Coronavirus Aid, Relief, and Economic Security (CARES) Act forbearance and describes the agencies' flexible approach to supervision and enforcement with respect to certain Regulation X provisions that require consumer notices and loss mitigation provisions.

Banks should also refer to the Consumer Financial Protection Bureau's "Mortgage Servicing Rules FAQs Related to the COVID-19 Emergency," which clarify the existing flexibility in the mortgage servicing rules for helping customers during the COVID-19 national emergency.

Can banks offer short-term small-dollar lending to customers affected by COVID-19?

Yes. The OCC and other federal banking regulators issued an interagency statement encouraging banks to support their customers by offering more responsible short-term small-dollar lending products. These loans should be offered in a manner that provides fair treatment of customers, complies with applicable laws and regulations, and is consistent with safe and sound banking practices.

For borrowers who experience unexpected circumstances and cannot repay a loan, banks are also encouraged to consider workout strategies designed to help borrowers to repay the principal of the loan while mitigating the need to reborrow.

What reasonable accommodations can be made to borrowers? Would regulators permit the banks to make certain reasonable assumptions about values, conditions, and amounts; and later, to backfill and confirm what banks must estimate now?

On March 13, 2020, the OCC encouraged banks to take steps to meet the financial services needs of customers adversely affected by COVID-19-related issues. Efforts to support customers may include

- waiving certain fees, such as
  - automated teller machine (ATM) fees for customers and non-customers.
  - overdraft fees.
  - late payment fees on credit cards and other loans.
  - early withdrawal penalties on time deposits.
- increasing ATM daily cash withdrawal limits.
- easing restrictions on cashing out-of-state and non-customer checks.
- increasing credit card limits for creditworthy borrowers.
- offering payment accommodations, such as allowing borrowers to defer or skip some payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting caused by COVID-19-related disruptions.

The agencies originally issued an interagency statement on March 22, 2020, to encourage financial institutions to work prudently with borrowers and to describe the agencies' interpretation of how current accounting rules under U.S. GAAP apply to certain COVID-19-related modifications. On April 7, 2020, the federal financial regulatory institutions issued a revised Interagency Statement that clarifies the interaction between the March 22, 2020, interagency statement and section 4013 of the CARES Act, *Temporary Relief from Troubled Debt Restructurings,* in addition to the agencies' views on consumer protection considerations. The agencies will continue to communicate with the industry as this situation unfolds.