Good afternoon, and welcome to the COVID-19 Financial System Update.

During the ongoing pandemic, news is happening at a rapid pace. And we at Simply Stated realize that you might miss something important. So we will be sharing the most recent financial stories, regulations, guidance and more surrounding the pandemic. Each news item shared here will be available in a single link, available in shownotes of today’s podcast and from the COVID-19 Updates Page on CSBS.org.

So, let’s get started. It’s March 23, and here are the news updates as of 5 p.m. Eastern Time:

**In State Financial System Updates…**

As of March 15, all 50 U.S. states, Washington, D.C., the American Samoa and Puerto Rico have declared a state of emergency. The CSBS COVID-19 page has a document linking to each declaration.
Today, Congress is trying to achieve consensus on a far-reaching coronavirus stimulus package. State regulators have been working with members of Congress to ensure certain provisions are included in the package. Top asks of state financial regulators include reestablishing the Temporary Account Guaranty, or TAG, program, supporting consumers with mortgage payment deferrals and suspensions, providing ample liquidity for the mortgage market to continue functioning, and ensuring interagency information sharing. A comment letter explaining these requests in more detail is available on the CSBS COVID-19 page.

In State-Federal News…

CSBS and the federal agencies issued a press release late Sunday encouraging financial institutions to work with borrowers impacted by the COVID-19 epidemic, promising they would not criticize institutions who do so in a safe and sound manner. State and federal regulators indicated they would not require institutions to automatically categorize loan modifications as Troubled Debt Restructurings, or TDRs.

From the release: “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 -- for example, six months -- modifications such as payment deferrals, fee waivers, extensions of repayment terms, or other delays in payment that are insignificant.”

In federal news…

The Federal Reserve announced Monday they will buy as many U.S. government bonds and mortgage-backed securities as necessary needed to support smooth market function. The Fed is also launching three emergency lending facilities, two of which will buy corporate debt and one that will lend to banks against collateral. Finally, the Fed will start up a program to support lending to small- and medium-sized businesses.
Fannie Mae and Freddie Mac announced today they will provide multifamily building owners mortgage forbearance on the condition they suspend all evictions for tenants struggling to pay rent due to COVID-19. From the release:

FHFA Director Mark Calabria said: “Renters should not have to worry about being evicted from their home, and property owners should not have to worry about losing their building, due to the coronavirus. The multifamily forbearance and eviction suspension offered by the enterprises should bring peace of mind to millions of families during this uncertain and difficult time.”

The Department of Homeland Security issued a memo late last week clarifying sectors, industries and workers that qualify as “Critical Infrastructure.” For financial services, this includes workers who are needed to process and maintain processing systems for financial services, workers who are needed to provides consumers access to banking and lending services (such as ATMs) and to move currency (like armored cash carriers), and workers who support financial operations.

The Treasury Department issued a memorandum supporting the DHS designation and reminding financial institutions that critical infrastructure sectors have a special responsibility to maintain their normal work schedule.

And now, Some Tools and Resources of Value to You…

For Everyone: The CSBS data analytics team produced, maintains, and updates a county-level map of Coronavirus spread. The map is updated each hour, pulling data from state health sites. Each county shows the number of positive COVID-19 cases, total reported deaths, and new cases since midnight. This map is available on CSBS.org. You can click the top link on the homepage.

For Consumers: Also available at that same link is a new COVID-19 Consumer Resources Page. CSBS Consumer Protection staff have produced a summary of ways
for consumers to protect themselves, common types of scams and warning signs you may be targeted, current government assistance programs related to COVID-19, and additional resources.

**For banks:** CSBS provides a Troubled Debt Restructuring, or TDR, Job Aid. The Job Aid helps financial institutions determine if a renegotiation of a debt with a customer counts as a TDR. CSBS staff are looking at ways to update this resource.

**For nonbanks:** State regulators continue to develop guidance for each state on how licensees should operate during the COVID-19 Pandemic. All guidance is available in a single document COVID-19 Page and in the NMLS Resource Center.

**State Spotlight: Texas**

Regulators are tasked with the difficult task of working diligently to support the financial sector during the COVID-19 outbreak while also speaking to the industry and consumers. Today, we’d like to highlight the work of the Texas Department of Banking and their Commissioner Charles Cooper. Like many states, the Texas Department of Banking issued guidance late last week allowing state banks to close all or part of certain offices to protect public health, all while ensuring financial services needs are met.

Commissioner Cooper took this one step further and participated in a podcast discussion with the Texas Bankers Association, where he explained his proclamation and reassured bankers.

That’s all for today.

If your state or federal agency is taking action, if you’ve got a consumer resource, or if you’ve got financial news, please share it with us. You can send your news and activity to newsroom@csbs.org, and we will go through responses to share the most relevant news of the day.

Thank you. Please stay tuned, and bear with us as we work to bring all the news to you.
in the coming weeks.

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Podcast Length
6:46

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