



Revised Interagency Statement on Loan Modifications

Apr 7, 2020

The federal financial institution regulatory agencies (the agencies), in consultation with state financial regulators, issued a revised interagency statement encouraging financial institutions to work constructively with borrowers affected by COVID-19 and providing additional information regarding loan modifications. The revised statement also provides the agencies' views on consumer protection considerations.

The revised statement clarifies the interaction between the interagency statement issued on March 22, 2020, and the temporary relief provided by Section 4013 of the Coronavirus Aid, Relief, and Economic Security Act, which was signed into law on March 27, 2020. Section 4013 allows financial institutions to suspend the requirements to classify certain loan modifications as troubled debt restructurings (TDRs). The revised statement also provides supervisory interpretations on past due and nonaccrual regulatory reporting of loan modification programs and regulatory capital.

The agencies encourage financial institutions to work with borrowers and will not criticize institutions for doing so in a safe-and-sound manner. The agencies view prudent loan modification programs offered to financial institution customers affected by COVID-19 as positive and proactive actions that can manage or mitigate adverse impacts on borrowers, and lead to improved loan performance and reduced credit risk.

The agencies' examiners will exercise judgment in reviewing loan modifications, including TDRs, and will not automatically adversely risk rate credits that are affected by COVID-19, including those considered TDRs. Regardless of whether modifications are considered TDRs or are adversely classified, agency examiners will not criticize prudent efforts to modify terms on existing loans for affected customers.

Attachment: [Interagency Statement \(Revised\)](#)

202.296.2840

newsroom@csbs.org

1129 20th Street, N.W., 9th Floor, Washington, DC 20036