This press release was issued by the FFIEC

The Federal Financial Institutions Examination Council on behalf of its members today issued a statement setting forth prudent risk management and consumer protection principles for financial institutions to consider while working with borrowers as initial coronavirus-related loan accommodation periods come to an end and they consider additional accommodations.

The COVID event has had a significant adverse impact on consumers, businesses, financial institutions, and the economy. To address some of these impacts, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides several forms of relief to business and individual borrowers, and some states and localities have taken action to provide similar credit accommodations. Also, many financial institutions have voluntarily offered other credit accommodations to their borrowers.

As initial loan accommodation periods come to an end, some borrowers may be able to resume contractual payments, and others may be unable to meet their obligations due to continuing financial challenges. The agencies encourage financial institutions to consider, when appropriate, prudent options for additional accommodations that can ease cash flow pressures on affected borrowers, improve their capacity to service debt, and facilitate the financial institution’s prudent management of its loans, consistent with applicable laws and regulations.

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The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. It
also conducts schools for examiners employed by the five federal member agencies represented on the FFIEC and makes those schools available to employees of state agencies that supervise financial institutions. The Council consists of the following six voting members: a member of the Board of Governors of the Federal Reserve System; the Chairman of the Federal Deposit Insurance Corporation; the Director of the Consumer Financial Protection Bureau; the Comptroller of the Currency; the Chairman of the National Credit Union Administration; and the Chairman of the State Liaison Committee.

Attachment: Interagency Statement on Additional Loan Accommodations Related to COVID-19

Media Contacts:

CFPB: Marisol Garibay, (202) 384-8538
FDIC: Julianne Breitbeil, (202) 898-6895
Federal Reserve: Darren Gersh, (202) 452-2955
NCUA: Ben Hardaway, (703) 518-6333
OCC: Stephanie Collins, (202) 649-6870
SLC: Catherine Pickels, (202) 728-5734