[Regulators Issue Guidance for Financial Institutions Impacted by Hawaii Wildfires]

PRESS RELEASES

Regulators Issue Guidance for Financial Institutions Impacted by Hawaii Wildfires

August 17, 2023
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The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Hawaii Department of Commerce and Consumer Affairs' Division of Financial Institutions, the National Credit Union Administration, and the Office of the Comptroller of the Currency, collectively the agencies, recognize the serious impact of the recent Hawaii wildfires on the customers and operations of many financial institutions and will provide appropriate regulatory assistance to affected institutions subject to their supervision. The agencies encourage institutions operating in the affected areas to meet the financial services needs of their communities.

A complete list of the affected disaster areas can be found at https://www.fema.gov/disasters.

Lending: The agencies encourage financial institutions to work constructively with borrowers in communities affected by the Hawaii wildfires. Prudent efforts to adjust or alter terms on existing loans in affected areas are supported by the agencies and should not be subject to examiner criticism. In accordance with U.S. generally accepted accounting principles, institutions should individually evaluate modifications of existing loans to determine whether they represent troubled debt restructurings or modifications to borrowers experiencing financial difficulty, as applicable. In making this evaluation, institutions should consider the facts and circumstances of each borrower and modification. In supervising institutions affected by the Hawaii wildfires, the agencies will consider the unusual circumstances these institutions face. The agencies recognize that efforts to work with borrowers in communities under stress can be consistent with safe-and-sound practices as well as in the public interest.

Temporary Facilities: The agencies understand that many financial institutions face staffing, power, telecommunications, and other challenges in re-opening facilities after the Hawaii wildfires. In cases in which operational challenges persist, the primary federal and/or state regulator will expedite, as appropriate, any request to operate temporary facilities to provide more convenient availability of services to those affected by the Hawaii wildfires. In most cases, a telephone notice to the primary federal and/or state regulator will suffice initially to start the approval process, with necessary written notification being submitted shortly thereafter.

Publishing Requirements: The agencies understand that the damage caused by the Hawaii wildfires may affect compliance with publishing and other requirements for branch closings, relocations, and temporary facilities under various laws and regulations. Institutions experiencing disaster-related difficulties in complying with any publishing or other requirements should contact their primary federal and/or state regulator.

Regulatory Reporting Requirements: Institutions affected by the Hawaii wildfires that expect to encounter difficulty meeting the agencies' reporting requirements should contact their primary federal and/or state regulator to discuss their situation. The agencies do not expect to assess penalties or take other supervisory action against institutions that take reasonable and prudent steps to comply with the agencies' regulatory reporting requirements if those institutions are unable to fully satisfy those requirements because of the Hawaii wildfires.

The agencies' staffs stand ready to work with affected institutions that may be experiencing problems fulfilling their reporting responsibilities, taking into account each institution's particular circumstances, including the status of its reporting and recordkeeping systems and the condition of its underlying financial records.

Community Reinvestment Act (CRA): Financial institutions may receive CRA consideration for community development loans, investments, or services that revitalize or stabilize federally designated disaster areas in their assessment areas or in the states or regions that include their assessment areas. For additional information, refer to the Interagency Questions and Answers Regarding Community Reinvestment at https://www.ffiec.gov/cra/qnadoc.htm.

Investments: Institutions are encouraged to monitor municipal securities and loans affected by the Hawaii wildfires. The agencies realize local government projects may be negatively affected by the disaster and encourage institutions to engage in appropriate monitoring and take prudent efforts to stabilize such investments.

For more information, refer to the *Interagency Supervisory Examiner Guidance for Institutions Affected by a Major Disaster*, which is available as follows:

- CSBS: https://www.csbs.org/interagency-supervisory-examiner-guidance-institutions-affected-major-disaster
- FDIC: https://www.fdic.gov/news/news/financial/2017/fil17062.html
- FRB: https://www.federalreserve.gov/supervisionreg/srletters/sr1714a1.pdf
- NCUA: https://www.ncua.gov/regulation-supervision/letters-credit-unions-other-guidance/examiner-guidance-institutions-affected-major-disaster
- OCC: https://www.occ.gov/news-issuances/bulletins/2017/bulletin-2017-61.html

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