



E-ALERT

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COVID-19 FEDERAL AND STATE BANKING GUIDANCE

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Last night the federal banking regulators, the FRB, FDIC, NCUA, OCC, and CFPB, along with state regulators (CSBS) issued formal guidance to financial institutions acknowledging the temporary business disruptions and challenges presented by COVID-19 and its broad impact throughout the economy.

The agencies have encouraged financial institutions to work prudently with commercial and retail borrowers who may have difficulty in meeting contractual payment obligations. As such, fee waivers and payment delays by banks, credit unions and other entities will not be criticized by regulators and examiners where an institution is working with its borrowers in seeking to mitigate risk. Guidance is attached [here](#) on:

- Accounting for Loan Modifications;
- Past Due Reporting;
- Nonaccrual Status and Charge-Offs; and
- Discount Window Eligibility

Given the above, our banking and borrower clients impacted by the coronavirus have the ability to proactively seek loan modifications and intervention. Such assistance will not be treated as troubled debt restructurings. It is therefore critical for financial institutions to work with borrowers at this time so as to help mitigate the adverse economic effects of COVID-19.

If you have questions about this alert or need assistance with respect to this guidance, please contact [Victoria Reider](#).