



March 18, 2020

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Bureau of Financial Institutions
207-624-8570

Statement on Financial Institutions Working with Customers Affected by the Coronavirus and Regulatory Assistance

The Maine Bureau of Financial Institutions (Bureau) recognizes the potential for the Coronavirus Disease (referred to as COVID-19) to adversely affect the customers and operations of financial institutions. The Bureau encourages financial institutions to take steps to meet the financial services needs of affected customers and communities. The Bureau will provide appropriate regulatory assistance to affected financial institutions subject to their supervision, as warranted.

Working with Customers: The Bureau encourages financial institutions to work with affected customers and communities. The Bureau recognizes that such efforts serve the long-term interests of communities and the financial system when conducted with appropriate management oversight and consistent with safe and sound banking practices and applicable laws. These efforts may include, but are not limited to:

- Waiving certain fees, such as:
 - Automated teller machine (ATM) fees for customers and non-customers,
 - Overdraft fees,
 - Late payment fees on credit cards and other loans, and
 - Early withdrawal penalties on time deposits;
- Increasing ATM daily cash withdrawal limits;
- Easing restrictions on cashing out-of-state and non-customer checks;
- Increasing credit card limits for creditworthy borrowers; and
- Offering payment accommodations which would avoid delinquencies and negative credit bureau reporting caused by COVID-19-related disruptions.

The Bureau emphasizes that prudent efforts to modify the terms on existing loans for affected customers will not be subject to examiner criticism. For example, when appropriate, a financial institution may restructure a borrower's debt obligations due to temporary hardships resulting from COVID-19 related issues. Such cooperative efforts can ease cash flow pressures on affected borrowers, improve their capacity to service debt, and facilitate the financial institution's ability to collect on its loans.

Financial institutions may also ease terms for new loans to affected borrowers, consistent with prudent banking practices. Such practices may help borrowers to recover or maintain their financial capacity and enhance their ability to service their debt.

The Bureau recognizes there may be other accommodations that could assist customers and communities in responding to challenges from COVID-19. The Bureau supports and will not criticize efforts to accommodate customers in a safe and sound manner. The Bureau encourages financial institutions to work with their regulator regarding additional actions that may more effectively manage or mitigate any adverse impact due to COVID-19.

Financial Condition Review, Supervisory Response, and Regulatory Relief: The Bureau appreciates that some financial institutions with customers affected by COVID-19 related issues may experience an increase in their levels of delinquent and nonperforming loans. Consistent with long-standing practices, the Bureau will consider the unusual circumstances these financial institutions face when reviewing an institution's financial condition and determining any supervisory response. As needed, the Bureau will work with affected financial institutions to reduce burden when scheduling examinations or inspections, including making greater use of off-site reviews, consistent with applicable legal and regulatory requirements.

Regulatory Reporting Requirements: Financial institutions affected by COVID-19 related issues that expect to encounter difficulty meeting regulatory reporting requirements, including audited financial statements and related reports, as applicable, are encouraged to contact the Bureau to discuss their situation. The Bureau's staff stand ready to work with affected financial institutions that may experience problems fulfilling their reporting responsibilities, considering each financial institution's circumstances.

Closure of Branch Locations and Offices, Provision of Alternative Service Options:

The Bureau understand that financial institutions may need to temporarily close a facility due to staffing challenges or to take precautionary measures. Financial institutions must post conspicuous notice of a branch or office closing at all points of public access to the closed offices. The Bureau encourages financial institutions to reduce disruptions to their customers, provide alternative service options when practical, and reopen affected facilities when it is safe to do so. Please notify the Bureau as early as possible regarding any business disruptions or other significant developments that result from the effects of Coronavirus. Examples include closures of office or branch locations, significant staff shortages, or the rapid withdrawal of deposits and other signs of erosion in consumer confidence. Receiving this information will be critical to our monitoring of the industry throughout Maine and identifying both local and systemic issues.

If you wish to notify the Bureau of closings or should have any questions, please contact Superintendent Lloyd LaFountain at 207-624-8570, or at Lloyd.P.LaFountain.III@maine.gov