

Statement on Financial Institutions Working with Customers/Members

Affected by the Coronavirus and Regulatory Assistance

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

Working with Customers: Commerce encourages financial institutions to work with affected customers/members and communities. Commerce recognizes that such efforts serve the long-term interests of communities and the financial system when conducted with appropriate management oversight and consistent with safety and soundness of the financial industry 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, such as allowing borrowers to defer or skip some payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting caused by COVID-19-related disruptions.

Commerce emphasizes that prudent efforts to modify the terms on existing loans for affected customers/ members 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.

Commerce recognizes there may be other accommodations that could assist customers/ members and communities in responding to challenges from COVID-19. Commerce supports and will not criticize efforts to accommodate customers/ members in a safe and sound manner. Commerce 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: Commerce 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, Commerce will consider the unusual circumstances these financial institutions face when reviewing an institution's financial condition and determining any supervisory response. As needed, Commerce 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 Commerce to discuss their situation. Commerce's staff stand ready to work with affected financial institutions that may experience problems fulfilling their reporting responsibilities, considering each financial institution's circumstances.

Alternative Service Options for Customers: Commerce understands that financial institutions may need to temporarily close a facility due to staffing challenges or to take precautionary measures. Affected financial institutions should notify Commerce of temporary closure of any facilities as prescribed in previous correspondence as soon as practical.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maxwell Zappia', with a large, loopy flourish at the end.

Maxwell Zappia

Deputy Commissioner