



**DEPARTMENT OF
FINANCIAL
INSTITUTIONS**

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UTAH DEPARTMENT OF FINANCIAL INSTITUTIONS Statement on Financial Institutions Working with Customers Affected by the Coronavirus and Regulatory Assistance

The Utah Department of Financial Institutions ("the Department") recognizes the potential for the Coronavirus Disease (referred to as COVID-19) to adversely affect the customers and operations of financial institutions. The Department encourages financial institutions to take steps to meet the financial services needs of affected customers and communities.

Working with Customers: The Department encourages financial institutions to work with affected customers and communities. The Department 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 practices and applicable laws. These efforts may include, but are not limited to:

- Waiving certain fees, such as:
 - Late payment fees,
 - NSF fees
- Offering payment accommodations (within the confines of existing law), 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.
- Easing collection practices during this time of government restrictions on movement.

The Department emphasizes that prudent efforts to modify the terms on existing loans for affected customers will not be subject to examiner criticism, as long as the terms don't violate existing laws. 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. Such practices may help borrowers to recover or maintain their financial capacity and enhance their ability to service their debt.

The Department recognizes there may be other accommodations that could assist customers and communities in responding to challenges from COVID-19. The Department encourages, and will not criticize, efforts to accommodate customers in any manner that is compliant with Utah Code and Federal regulations. The Department 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.

Alternative Service Options for Customers: The Department understands that financial institutions may need to temporarily close a facility due to staffing challenges or to take precautionary measures. The Department 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. Affected financial institutions are encouraged to notify the Department and their customers of temporary closure of an institution's facilities and the availability of any alternative service options as soon as practical.

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