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Re: Guidance to New York State Regulated Banks, Credit Unions and Licensed Lenders Regarding Support for Businesses Impacted by the Novel Coronavirus

To: The Chief Executive Officers or the Equivalents of New York State Regulated Banks, Credit Unions and Licensed Lenders Since the outbreak of a novel coronavirus known as “COVID-19”, businesses in New York State, and particularly small businesses in the travel, transport and related industries catering to foreign visitors and tourists, have been adversely impacted by significant drops in business activities resulting, for some entities, in dramatic declines in revenue. Notably, the absence of Chinese tourists due to travel restrictions (in recent years averaging over one million per year) is having a significant impact on businesses that rely on such visitors. It is anticipated that possible travel restrictions by other countries and organizations, and a growing fear surrounding the outbreak, could continue to adversely affect small businesses in New York State Small businesses in the three main “Chinatowns” of New York City – Lower Manhattan, Flushing, Queens, and Sunset Park, Brooklyn -- have seen dramatic declines in activity since January to the present. These businesses have been particularly hit by cancellations and restrictions on travel, entertainment, and tourism as a result of the outbreak. Consequently, many of these businesses are struggling, and some may lack the financial resources to weather the ongoing business downturn caused by this

unfortunate situation without assistance. New York State is committed to assisting these adversely impacted businesses, and to that end, the New York State Department of Financial Services (the “Department”) seeks to ensure that New York regulated banks, credit unions and licensed lenders do their part to assist in these efforts. The Department is issuing this guidance to encourage New York regulated banks, credit unions and licensed lenders to consider all reasonable and prudent steps to assist businesses that have been adversely impacted by COVID-19, including: Offering payment accommodations, such as allowing loan borrowers to defer payments, extending the payment due dates or otherwise adjusting or altering terms of existing loans, which would avoid delinquencies and negative credit agency reporting; Waiving overdraft fees; Easing credit terms for new loans; Waiving late fees for loan balances; and Proactively reaching out to customers and those adversely impacted via app announcements, text, email or otherwise to explain the above-listed and any other assistance being offered to them. The Department empathizes with those impacted by the business downturn caused by COVID-19 and hopes compliance with this guidance will assist these businesses, particularly the small businesses with limited financial resources. The Department believes that reasonable and prudent efforts by your institutions to assist these businesses under these unusual and extreme circumstances are consistent with safe and sound banking practices as well as in the public interest. If you have any questions, please contact your regular point of contact at DFS.

Sincerely, Shirin Emami Executive Deputy Superintendent- Banking Have a question or need help? Check our FAQs . If you still need help, contact DFS . Who We Supervise Institutions That We Supervise The Department of Financial Services supervises many different types of institutions. Supervision by DFS may entail chartering, licensing, registration requirements, examination, and more. Learn More Department of Financial Services About Us Mission and Leadership Advisory Boards Institutions That We Supervise Contact Us State Laws & Regulations State Codes, Rules & Regulations (NYCRR) State Laws (LBDC) State Bills & Laws (Senate) Website Accessibility & Reasonable Accommodations Disclaimer Privacy Policy Site Map Language Assistance Language Access Policies and Plans Department of Financial Services CONNECT WITH US