

Industry Letter - March 19, 2020: Support for Consumers and Businesses Impacted by the Novel Coronavirus (COVID-19) | Department of Financial Services Skip to main content DFS Global Navigation Header Department of Financial Services Consumer Information Consumer Information Auto Insurance Banking and Sending Money Disaster and Flood Resources Drug Prices and PBMs Fraud and Cyber Protection Healthcare Homeowners & Tenants Small Business Resources Student Loan Resources and Relief More... Applications & Filings Applications & Filings Application Fees & Assessments Pharmacy Benefit Managers Banks and Trusts Insurance Agents & Brokers Insurance Companies Mortgage Companies Virtual Currency Businesses More... Industry Guidance Industry Guidance Cybersecurity Resource Center Climate Change Diversity, Equity and Inclusion Innovation Health Equity Enforcement & Discipline Circular Letters Industry Letters Regulatory & Legislative Activities Reports & Publications Reports & Publications Newsroom Examinations & Exam Reports DFS Annual Reports Other Reports Hearings Weekly Bulletins About Us About Us Contact Us File a Complaint or Appeal Careers With DFS Newsroom Procurement Search Submit search DFS Portal Home Industry Guidance Industry Letters Industry Letter - March 19, 2020: Support for Consumers and Businesses Impacted by the Novel Coronavirus (COVID-19) March 19, 2020 Guidance to New York State Regulated Financial Institutions Regarding Support for Consumers and Businesses Impacted by the Novel Coronavirus (COVID-19)

To: The Chief Executive Officers or the Equivalents of New York State Regulated Financial Institutions Last week, the World Health Organization declared the spread of the novel coronavirus COVID-19 a pandemic, and both New York State and the Federal Government have declared states of emergency. An increasing number of individuals and businesses are experiencing sizeable disruption to their everyday lives and operations. The economic impact to consumers and businesses around the globe is considerable. Facts are changing rapidly, and this disruption will continue to cause significant financial hardship for individuals and families, especially workers who cannot work remotely and do not have access to paid leave. As the outbreak continues to spread, a growing number of companies have started to warn markets about the adverse impact of COVID-19 on their financial conditions. Companies in certain sectors are already laying off employees and taking other drastic actions in response to the crisis which is likely to cause more financial stress on local communities and consumers. The disruption in the operations of small businesses caused by the outbreak could make it difficult for such businesses to comply with their financial covenants in their debt financing documents, and possibly trigger other adverse consequences for them. In response to this crisis, the Department is issuing guidance to urge all regulated financial institutions during this outbreak to do their part to alleviate the adverse impact caused by COVID-19 on those consumers and small businesses that can demonstrate financial hardship caused by

COVID-19, including taking reasonable and prudent actions to support impacted New Yorkers by: Waiving overdraft fees; Providing new loans on favorable terms; Waiving late fees for credit card and other loan balances; Waiving automated teller machine (ATM) fees; Increasing ATM daily cash withdrawal limits; Waiving early withdrawal penalties on time deposits; Increasing credit card limits for creditworthy customers; Offering payment accommodations, such as allowing loan customers to defer payments at no cost, extending the payment due dates or otherwise adjusting or altering terms of existing loans, which would avoid delinquencies, triggering events of default or similar adverse consequences, and negative credit agency reporting caused by COVID-19 related disruptions; Ensuring that consumers and small businesses do not experience a disruption of service if financial institutions close their offices, including making available other avenues for consumers and businesses to continue to manage their accounts and to make inquiries; Alerting customers to the heightened risk of scams and price gouging during the COVID-19 disruptions, and reminding customers to contact their financial institutions before entering into unsolicited financial assistance programs; and Proactively reaching out to customers via app announcements, text, email or otherwise to explain the above-listed assistance being offered to customers. Finally, the Department urges all regulated financial institutions, in their capacity as creditors to businesses of all sizes, to work with and provide accommodations to their borrowers during this unprecedented global emergency to the extent reasonable and prudent, including refraining from exercising rights and remedies based on potential technical defaults under material adverse change and other contractual provisions that might be triggered by the COVID-19 pandemic. The Department believes that reasonable and prudent efforts by your institutions during this outbreak to assist these consumers and businesses under these unusual and extreme circumstances are consistent with safe and sound banking practices as well as in the public interest and will not be subject to examiner criticism. If you have any questions, please contact your regular point of contact at DFS.

Sincerely, Shirin Emami Executive Deputy Superintendent – Banking

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