

March 17, 2020

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

The Nebraska Department of Banking and Finance (NDBF) recognizes the potential for the Coronavirus Disease (referred to as COVID-19) to adversely affect the customers and operations of financial institutions. The Mission of the NDBF is to protect and maintain the public confidence in the Financial Institutions of Nebraska. NDBF is committed to maintaining all critical functions to fulfill its supervisory mandate. NDBF encourages financial institutions to take steps to meet the financial services needs of affected customers and communities. NDBF is considering the following regulatory assistance effective and continuing until the state of emergency has been lifted.

IN EFFECT AT THIS TIME:

- **Mortgage Bankers may establish emergency branch locations with notice, please see attached.**
- **Banks and Credit Unions must continue to clear back room operations; however, may exercise social distancing with shortened hours, reduced lobby and customer contacts as local conditions merit. Please refer to Neb. Rev. Stat. § 8-1,124 for standards.**
- **Nebraska Examinations are moving to “offsite” only until April 24, 2020.**
- **NDBF is encouraging digital applications, audits, and correspondence when working with NDBF.**
- **IF payments are to be sent to NDBF, NDBF is encouraging use of ACH.**
- **Credit Unions may hold their annual meeting at a later date. See web page:: ndbf.nebraska.gov**

IN PROCESS AT THIS TIME:

- **Audit turn around requirements will be extended 60 days.**

Working with Customers: The NDBF encourages financial institutions to work with affected customers and communities. The NDBF 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:

- Social distancing which may require shortened hours, reduced customer to Financial Institution (FI) contact and even closing of select activities in certain locations.
- Updated door, lobby and web signage relative to hours and locations to obtain financial services.
- FI consideration as to payment and or term accommodations, such as allowing borrowers to defer or skip some payments or extending the payment due date by up to 90 days which would avoid delinquencies and negative credit bureau reporting caused by COVID-19-related disruptions.

The NDBF emphasizes prudent efforts to modify the terms on existing loans for affected customers. For example, when appropriate on a loan by loan basis, 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 NDBF recognizes there may be other accommodations that could assist customers and communities in responding to challenges from COVID-19. The NDBF supports and will not criticize efforts to accommodate customers in a safe and sound manner; in compliance with standard accounting practices. The NDBF 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. Additionally, considering the fluid nature of the impact of this virus, updates will be posted to the web site: ndbf.nebraska.gov.

Financial Condition Review, Supervisory Response, and Regulatory Relief: The NDBF 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 NDBF will consider the unusual circumstances these financial institutions face when reviewing an institution's financial condition and in determining any supervisory response. As needed, the NDBF will work with affected financial institutions to reduce burden when scheduling examinations, 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, are encouraged to contact the NDBF to discuss their situation. The NDBF'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: The NDBF understands that financial institutions may need to temporarily close a facility due to staffing challenges or to take precautionary measures. The NDBF 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 should notify the NDBF and their customers of temporary closure of an institution's facilities and the availability of any alternative service options as soon as practical. Neb. Rev. Stat. § 8-1,124 sets standards and NDBF has a form to help institutions walk through the notification process.

Questions: Contact NDBF at 402-471-2171. If we are unable to answer at that time, please leave a voice mail and we will respond as soon as possible. Additionally, NDBF Review Examiners serve as points of contact and can be emailed directly:

Web Page Updates:

More information is available at our web page: **ndbf.nebraska.gov**.

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