



STATE OF CONNECTICUT
DEPARTMENT OF BANKING
FINANCIAL INSTITUTIONS DIVISION
260 CONSTITUTION PLAZA – HARTFORD, CT 06103



Jorge L. Perez

March 17, 2020

To: Chief Executive Officers of Connecticut State Chartered Banks and Credit Unions

Subject: Guidance on COVID-19-related Issues

The Connecticut Department of Banking (the “Department”) has received several questions related to certain issues facing state-chartered banks and credit unions during the outbreak of “coronavirus 2019” (“COVID-19”).

The Department recognizes that there are unique challenges associated with COVID-19 that could have an impact on both financial institutions and their customers. During this period, financial institutions are encouraged to work with all borrowers (particularly individuals and businesses associated with industries more susceptible to volatility) whose ability to make loan repayments at this time may be impacted by COVID-19. A financial institution’s efforts to work with borrowers in communities under stress consistent with safe and sound banking practices will contribute to the strength and recovery of our communities.

Efforts to work with borrowers can include easing credit terms for new loans, waiving overdraft fees, increasing the number of allowed money market withdrawals, waiving CD early withdrawal penalties, waiving late fees for loan balances, and offering payment accommodations (for example, allowing borrowers to defer some payments or extending the payment due dates). Any modifications to existing loans that are deemed prudent by financial institutions in light of the circumstances will not be subject to regulatory criticism.

The Department requests that financial institutions consider providing guidance to their servicers and collections agencies regarding the institutions’ policies at this time. The ability for borrowers to learn about and access any accommodations offered by financial institutions will be limited if servicers, collections agencies, and other agents of the financial institutions are not or are not able to inform borrowers about possible accommodations.

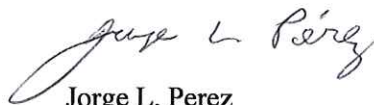
Financial institutions should also be available to answer any customer questions and work with customers to make reasonable accommodations during the COVID-19 outbreak. We recognize all the efforts your financial institution’s staff is making to ensure customers and members may continue to access financial services, at a minimum, through drive-up windows, night deposit services, ATMs and on-line banking. Financial institutions should continue to have clear, consistent communication with customers regarding COVID-19, including but not limited to having a link on your institutions’ homepages to centralized information about your institutions’ responses to COVID-19. Please also direct individuals with any questions about COVID-19 to call 2-1-1 for more information, and for businesses to call the DECD hotline at 860-500-2333.

Governor Lamont has directed his state agencies to identify any legal, regulatory, or operational constraints that are hampering the ability of state agencies or businesses within the state to respond effectively to COVID-19. The Department of Banking is eager to understand the constraints faced by financial institutions, and will work with the financial institution and the Governor's Office to seek solutions.

This guidance to financial institutions does not come in isolation. The State has already announced several actions to help businesses who have participated in its various lending programs. For example, the State is extending Small Business Express loans for 90 days and offering a 90-day grace period on making payments. Other actions taken by the State at this time include the delaying of payment of some business taxes by 60-90 days. Governor Lamont has successfully applied for Small Business Administration disaster assistance, and eligible small businesses are encouraged to apply for credit at www.sba.gov/disaster. Further action by the Administration is forthcoming.

The Department's staff is ready to work with financial institutions who may be impacted by the COVID-19 outbreak. Please do not hesitate to contact Financial Institutions Division Director Mary Ellen O'Neill at mary.oneill@ct.gov or 860-240-8185 or myself at Jorge.perez@ct.gov or 860-240-8100 if you have any questions or suggestions. For more general questions about COVID-19, your institutions can email the COVID-19 Joint Information Center at covid19.jic@ct.gov or call 860-754-8342. We encourage you to share this letter with members of your board of directors and your management team.

Sincerely,

A handwritten signature in cursive script that reads "Jorge L. Perez". The signature is written in dark ink and is positioned above the printed name and title.

Jorge L. Perez
Banking Commissioner