



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



Jorge L. Perez
Commissioner

October 21, 2024

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

Subject: Guidance on providing relief for Connecticut residents impacted by August storm

The Connecticut Department of Banking (the “Department”) recognizes the enormous challenges facing residents impacted by the severe storms, flooding, landslides, and mudslides (“the storm”) which caused significant property damage in areas of Connecticut from August 18, 2024, to August 19, 2024. Parts of New Haven, Litchfield and Fairfield counties have been declared a federal disaster area by FEMA. Impacted residents can apply for disaster relief at <https://www.disasterassistance.gov/>.

During this period, financial institutions are encouraged to work with all borrowers whose ability to make loan repayments at this time may be impacted by the storm. A financial institution’s efforts to work with borrowers in affected communities 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 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 the financial institutions in light of the circumstances will not be subject to regulatory criticism. Banks and credit unions may receive favorable Community Reinvestment Act consideration for community development loans, investments, and services in support of disaster recovery.

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

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Financial institutions should also be available to answer any customer questions and work with customers impacted by the storm. We recognize that many institutions are already assisting their impacted customers and the Department encourages them to continue these efforts.

Indeed, the FDIC has also issued guidance to help assist Connecticut residents, which can be found at <https://fdic.gov/news/financial-institution-letters/2024/guidance-help-financial-institutions-and-facilitate-23>.

FEMA has opened a Disaster Recovery Center in Southbury to provide in-person assistance to homeowners, renters, businesses, and private nonprofits seeking to apply for federal disaster aid for damages incurred due to the storm. Located at Southbury Town Hall (501 Main Street South, Southbury) this Disaster Recovery Center is open Mondays to Fridays from 8:00 a.m. to 6:00 p.m., Saturdays from 8:00 a.m. to 4:00 p.m., and Sundays from 10:00 a.m. to 2:00 p.m. Anyone who lives in any town impacted by the flooding from the August 18 storm can visit this center to seek assistance with applying for aid.

In addition, the Small Business Administration (SBA) has opened two business recovery centers in Monroe and Oxford. Located at the Monroe Police Department (7 Fan Hill Road) and Oxford Town Hall (486 Oxford Road), these Business Recovery Centers are staffed by SBA customer service representatives who can assist business owners in completing their disaster loan applications, accept documents, and provide updates on an application's status. Both locations are open Mondays to Fridays from 8:00 a.m. to 6:00 p.m., and on Saturdays from 10:00 a.m. to 2:00 p.m. They are closed on Sundays. Walk-ins are accepted, however it is encouraged to schedule an appointment in advance by visiting appointment.sba.gov. In addition to applying in person, business owners may also call the SBA's Customer Service Center at 800-659-2955 or send an email to disastercustomerservice@sba.gov for more information.

Department staff stand ready to assist financial institutions as they work with customers recovering from this disaster. Please do not hesitate to contact Financial Institutions Division Director Danzel Palmer at danzel.palmer@ct.gov or (860) 240-8185 or myself at jorge.perez@ct.gov or (860) 240-8100 if you have questions or suggestions. We encourage you to share this letter with members of your board of directors and your management team.

Sincerely,

Jorge L. Perez
Banking Commissioner

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