FDIC

Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-01-2019
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Regulators Encourage Institutions to Work with Borrowers Affected by Government Shutdown

Summary: The FDIC, Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, National Credit Union Administration, and Consumer Financial Protection Bureau (the Agencies) encourage financial institutions to work with customers affected by the federal government shutdown. While the agencies realize that the effects of the federal government shutdown on individuals should be transitory, affected borrowers may face a temporary hardship in making payments on financial obligations such as mortgages, student loans, car loans, credit cards, and other debt.

Statement of Applicability to Institutions Under $1 Billion in Total Assets: This Financial Institution Letter applies to all FDIC-supervised institutions.

Distribution:
FDIC-Supervised Institutions

Suggested Routing:
Chief Executive Officer
Chief Credit Officer
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Related Topics:
FIL-35-2007, FDIC Encourages Institutions to Consider Workout Arrangements for Borrowers Unable to Make Mortgage Payments

Attachment:
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Highlights:

- Borrowers affected by the government shutdown are encouraged to contact their lenders immediately should financial strain occur.
- The FDIC encourages financial institutions to consider prudent workout arrangements that increase the potential for creditworthy borrowers to meet their obligations.
- The FDIC recognizes that prudent workout arrangements that are consistent with safe-and-sound lending practices are generally in the long-term best interest of the financial institution, the borrower, and the economy.
- When consistent with safe-and-sound banking practices, these efforts may include extending new credit, waiving fees, easing credit card limits, allowing customers to defer or skip payments, modify terms on existing loans, and delaying the submission of delinquency notices to credit bureaus.
- Prudent efforts to meet such customers' financial needs should not be subject to examiner criticism.