Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

March 19, 2020

Joint Statement on CRA Consideration for Activities in Response to COVID-19

The Board of Governors of the Federal Reserve System (Federal Reserve), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies) recognize the potential for Coronavirus Disease (also referred to as COVID-19) to adversely affect the customers and operations of financial institutions. On March 9, 2020, the federal financial institution regulatory agencies and state bank regulators issued a statement to encourage financial institutions to meet the financial services needs of their customers and members in areas affected by COVID-19.[1]

Consistent with the March 9, 2020, statement and existing information that the agencies have provided in prior communications on disasters and national emergencies, the agencies encourage financial institutions to work with affected customers and communities, particularly those that are low- and moderate-income. The agencies recognize that such efforts—when consistent with safe and sound banking practices and applicable laws, including consumer protection laws—serve the long-term interests of these communities and the financial system.

Working with Customers. Pursuant to the Community Reinvestment Act (CRA), the agencies will favorably consider retail banking services and retail lending activities in a financial institution's assessment areas that are responsive to the needs of low- and moderate-income individuals, small businesses, and small farms affected by COVID-19 and that are consistent with safe and sound banking practices. These activities may include, but are not limited to:

- Waiving certain fees, such as:
  - Automated teller machine (ATM) fees for customers and non-customers,
  - Overdraft fees,
  - Late payment fees on credit cards and other loans, and
  - Early withdrawal penalties on time deposits;
- Easing restrictions on cashing out-of-state and non-customer checks;
- Expanding the availability of other short-term, unsecured credit products for creditworthy borrowers;
- Increasing credit card limits for creditworthy borrowers;

[1] https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200309a.htm (Federal Reserve); https://www.fdic.gov/news/news/press/2020/pr20025.html (FDIC); https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-30.html (OCC).

- Providing alternative service options to customers in light of limited ability to access branches; and
- Offering payment accommodations, such as allowing borrowers to defer or skip payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting, caused by COVID-19-related issues.

The agencies emphasize that prudent efforts to modify the terms on new or existing loans for affected low- and moderate-income customers, small businesses, and small farms will receive CRA consideration and not be subject to examiner criticism. For example, when appropriate, a financial institution may restructure a borrower's debt obligations due to temporary hardships resulting from COVID-19-related issues. Such efforts can ease cash flow pressures on affected borrowers, improve their capacity to service debt, help to recover or maintain customers' financial capacity, and facilitate the financial institution's ability to collect on its loans.

Financial institutions may also receive CRA consideration for easing terms for new loans to affected low- and moderate-income customers, small businesses, and small farms, consistent with prudent banking practices. Such practices may help customers to recover or maintain their financial capacity and enhance their ability to service their debt.

The agencies encourage financial institutions to work with their respective supervisory agency regarding additional actions that may effectively manage or mitigate any adverse impact due to COVID-19, consistent with safe and sound banking practices and applicable consumer protection laws.

Community Development Activities: In light of the declaration of a national emergency, this statement clarifies that financial institutions will receive CRA consideration for community development activities.

Qualifying activities include those that help to revitalize or stabilize low- or moderate-income geographies as well as distressed or underserved non metropolitan middle-income geographies, and that support community services targeted to low- or moderate-income individuals. Such activities may include, but are not limited to:

- Loans, investments or services that support digital access for low- and moderate-income individuals or communities;
- Loans, investments or services that support access to health care, particularly for low- and moderate-income individuals or communities;
- Economic development activities that sustain small business operations, particularly in low- and moderate-income communities; and
- Investment or service activities that support provision of food supplies and services for low- and moderate-income individuals or communities.

The COVID-19 emergency has had a significant economic impact that may extend beyond banks' assessment areas. Therefore, the agencies are reminding institutions that favorable consideration will be given to community development activities located in a broader statewide or regional area that includes a bank's CRA Assessment Area[2] and that help to stabilize communities affected by the COVID-19, provided that such institutions are responsive to the community development needs and opportunities that exist in their own assessment area(s). This statement shall be effective through the six-month period after the national emergency declaration is lifted, unless extended by the agencies.

[2] The CRA Interagency Question and Answer § __.12(h)-6, 7 (https://www.govinfo.gov/content/pkg/FR-2016-07-25/pdf/2016-16693.pdf) provides that a "regional area" may be an intrastate area or a multistate area, and may include commonly accepted regions or regional designations used by government authorities. Questions regarding whether a particular area constitutes an appropriate broader statewide or regional area should be discussed with the bank's federal supervisory agency.