



**MONTANA
DEPARTMENT OF
ADMINISTRATION**

Division of Banking & Financial Institutions

Steve Bullock, Governor
John Lewis, Director
Melanie Hall, Commissioner

To: Montana State-Chartered Banks

From: Melanie Hall, Commissioner

Subject: Working with Customers Affected by the Coronavirus and Regulatory Assistance

Date: March 16, 2020

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

The Montana Division of Banking and Financial Institutions (Division) recognizes the potential for the Coronavirus Disease (referred to as COVID-19) to adversely affect the customers and operations of financial institutions. The Division encourages financial institutions to take steps to meet the financial services needs of affected customers and communities. The Division will provide appropriate regulatory assistance to affected financial institutions subject to their supervision, as warranted.

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

- 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;
- Increasing ATM daily cash withdrawal limits;
- Easing restrictions on cashing out-of-state and non-customer checks;
- Increasing credit card limits for creditworthy borrowers; and
- Offering payment accommodations, such as allowing borrowers to defer or skip some payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting caused by COVID-19 related disruptions.

The Division emphasizes that prudent efforts to modify the terms on existing loans for affected customers will 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 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.

Any decision by the Bank or its Board to ease terms to help an affected borrower should be specifically documented in the minutes of the Board meeting and the loan file as being made as a COVID-19 accommodation.

The Division recognizes there may be other accommodations that could assist customers and communities in responding to challenges from COVID-19. The Division supports and will not criticize efforts to accommodate customers in a safe and sound manner. The Division 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.

Financial Condition Review, Supervisory Response, and Regulatory Relief: The Division 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 Division will consider the unusual circumstances these financial institutions face when reviewing an institution's financial condition and determining any supervisory response. As needed, the Division will work with affected financial institutions to reduce burden when scheduling examinations or inspections, 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, including audited financial statements and related reports, as applicable, are encouraged to contact the Division to discuss their situation. The Division'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 Division understands that financial institutions may need to temporarily close a facility due to staffing challenges or to take precautionary measures. The Division 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 do not need to notify the Division of temporary closure of an institution's facilities unless the institution is unable to provide financial services in some other manner, as such as ATMs, drive through branches or mobile apps. If a financial institution must change hours at an existing facility, please provide a copy of the customer notice as provided [herein](#). This is required by Mont. Code Ann. § 32-1-484.