



CRA Considerations During COVID-19

regulatory business customers pandemic

Summary: A joint statement of the regulatory agencies provides extra considerations for CRA points due to the coronavirus. We give you a summary.

As the coronavirus continues to affect many in the US, the Fed, FDIC, and Office of the Comptroller have issued a joint statement addressing the importance of financial institutions continuing to serve their customers, specifically those with low-to-moderate income.

US banking regulators are considering giving financial institutions bonus regulatory points for lending to low- and middle-income borrowers hurt by COVID-19. Financial institutions may also earn extra points by showing leniency to borrowers hurt by the current pandemic, especially when those borrowers lack significant financial resources. While serving them must be consistent with safe and sound banking procedures, these agencies realize how critical it is to support these communities. Pursuant to the Community Reinvestment Act (CRA). The Statement includes, "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 customers affected by COVID-19." Some of these activities include:

- Waiving fees such as overdraft and late payment fees
- 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

Due to the coronavirus effects, certain community development activities will receive CRA consideration as well, including:

- 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
- Investment or service activities that support the provision of food supplies and services for low- and moderate-income individuals or communities.

Federal banking authorities are concerned that the current pandemic will hurt millions of lower- and moderate-income people who lose their jobs, are forced to close their businesses, are sick themselves or must spend time caring for people who are ill. The economic impact could push them into default on mortgages, auto loans, and credit card debt. Through CRA extra considerations, these risks hope to be mitigated as we all work through this time of economic uncertainty.

SUPPORT DURING COVID-19

Much of our activity over the past week has been focused on helping customers to understand the changes in the market. If you need help explaining this to your board, check out our [asset liability management](#) information or [contact us today](#).

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