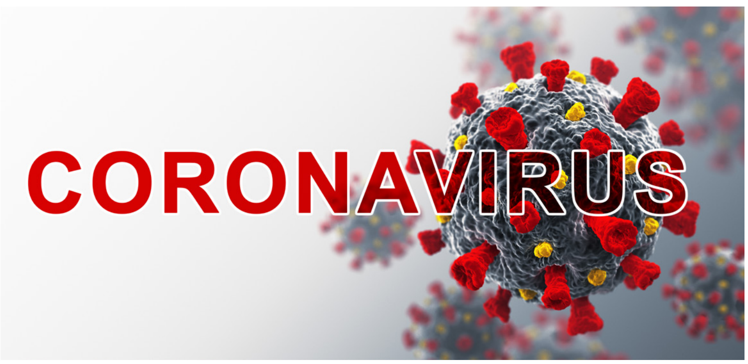
REGULATORS ANNOUNCE PROGRAMS DESIGNED TO ASSIST FINANCIAL INSTITUTIONS AND CONSUMERS PERTAINING TO COVID-19 PANDEMIC



With financial institutions, their customers and their employees facing unprecedented challenges associated with the COVID-19 Pandemic, federal regulators and the American Bankers Association have announced a series of collaborative programs designed to assist financial institutions in serving consumers affected by the virus and navigating through these difficult times. These programs consist of the following:

HUD and the Federal Housing Finance Agency (FHFA)

HUD and the FHFA announced the suspension foreclosures and evictions for Fannie Mae, Freddie Mac, and FHA mortgages for at least the next 60 days amid the coronavirus pandemic. This suspension applies to homeowners with government-sponsored enterprises-backed single-family mortgage.

Additionally, the FHFA announced that Fannie Mae and Freddie Mac would provide payment forbearance to borrowers impacted by the coronavirus, allowing for a mortgage payment to be suspended for up to 12 months due to hardship caused by the virus.

The FHA Single-Family Housing Policy Handbook 4000.1 Section III.A.2 describes steps lenders can take to offer services to borrowers who are experiencing distressed conditions that prevent them from making mortgage payments and going into foreclosure.

[READ HUD LETTER]

[READ FHFA ANNOUNCEMENT]

Federal Reserve Board (FRB)

To ease the strain on U.S. dollar funding markets and facilitate the supply of credit to households and businesses, the Federal Reserve established new temporary U.S. dollar swap lines with nine central banks around the globe.

The new facilities will be in place for at least six months will support the provision of U.S. dollar liquidity in amounts of up to $60 billion each for central banks in Australia, Brazil, South Korea, Mexico, Singapore and Sweden, and $30 billion each

for Denmark, Norway, and New Zealand. The Federal Reserve also has standing U.S. dollar liquidity swap lines with central banks in Canada, the United Kingdom, Japan, the European Union and Switzerland.

Additionally, the Federal Reserve expanded its program of support for the flow of credit to the economy by taking steps to enhance the liquidity and functioning of states and municipal money markets. The Money Market Mutual Fund Liquidity Facility (MMLF) will allow the FRB to make loans available to eligible financial institutions secured by certain high-quality assets purchased from single states and other tax-exempt municipal money market mutual funds.

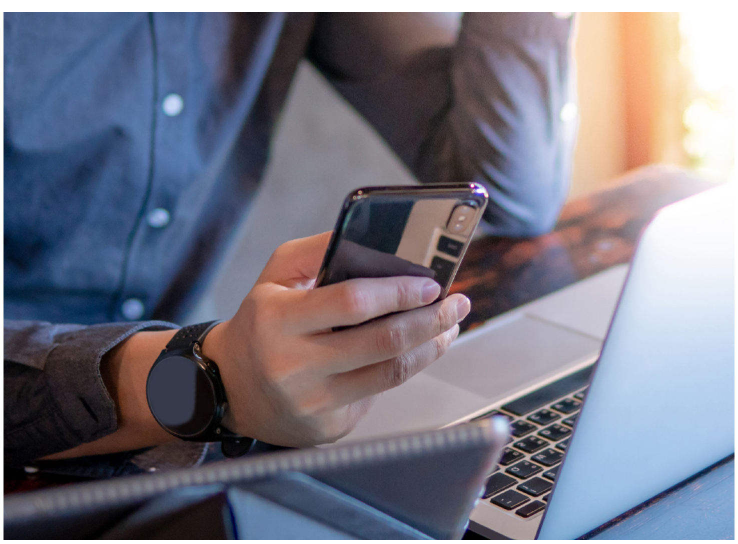
READ FEDERAL RESERVE ANNOUNCEMENT
READ THE MMLF TERM SHEET

Federal Deposit Insurance Corporation (FDIC)

The FDIC issued two sets of frequently asked questions (FAQs) addressing banker and consumer concerns related to COVID-19.

The FAQs for banks address:

- Payment accommodations, including reporting of delinquent loans and how accommodations are documented and reported;



- Operational challenges, including limiting access to branch offices, filing requirements, security issues associated with masked customers and cash management.

The consumer FAQs assure customers that the bank is the safest place for their money and that a branch or lobby closure has no bearing on an account's insured status and addresses other questions about how the FDIC is encouraging banks to handle customer difficulties.

READ THE BANK FAQS
READ THE CONSUMER FAQS

United States Treasury Department

With more states and cities implementing stay-at-home or shelter-in-place orders to combat the spread of COVID-19, the Treasury Department has issued documentation that essential financial services employees can carry to demonstrate that they must go to work. The documentation should be accompanied by guidance last week from the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) designating financial services as a critical infrastructure sector.

The essential critical infrastructure workforce for the banking sector includes workers who are needed to process and maintain systems for processing financial transactions and services, such as payments, wholesale funding, insurance services and capital markets activities; workers needed to provide consumer access to banking and lending services, including ATMs, and to move currency and payments; and workers who support financial operations, such as those staffing data and security operations centers.

All bank employees designated as essential critical infrastructure workers to carry copies of these documents to show to local officials enforcing lockdown orders. Lenders should also provide employees with documentation on bank letterhead confirming that they are essential personnel.

READ TREASURY DOCUMENT
READ CISA GUIDANCE

Interagency/ABA Programs

Community Reinvestment Act Considerations

The federal banking agencies announced that they will give favorable Community Reinvestment Act (CRA) considerations to banks for retail banking, retail lending and community development activities related to the coronavirus pandemic. This favorable consideration will be available for a least six months after the national emergency declaration is lifted.

The favorable consideration will extend to retail banking and lending activities in a bank's assessment areas that are responsive to the needs of low- and moderate-income individuals (LMI), small businesses and small farms affected by the pandemic.

Banks will also receive CRA consideration for community development activities targeting LMI areas (or for services targeted to LMI individuals) and distressed and underserved rural middle-income areas. Banks may receive consideration for community development activities related to the pandemic outside their assessment areas provided they are responsive to community development needs in their own areas.

READ MORE

Use of Capital, Liquidity Buffers

The federal banking agencies are encouraging banking organizations to use their capital and liquidity buffers as they respond to the challenges presented by the effects of the coronavirus.

Since the global financial crisis of 2007-2008, U.S. banking organizations have built up substantial levels of capital and liquidity in excess of regulatory minimums and buffers. These capital and liquidity buffers were designed to provide banking organizations with the means to support the economy in adverse situations and allow banking organizations to continue to service households and businesses. The regulatory agencies support banking organizations that choose to use their capital and liquidity buffers to lend and undertake other supportive actions in a safe and sound manner.

The agencies have issued a set of questions and answers regarding a banking organization's use of their capital and liquidity buffers.

READ Q&AS

Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus

The federal banking agencies and Conference of State Bank Supervisors encourage financial institutions to work prudently with borrowers who are or may be unable to meet their contractual payment obligations because of the effects of COVID-19. The agencies view loan modification programs as positive actions that can mitigate adverse effects on borrower due to COVID-19. The agencies will not criticize institutions for working with borrowers and will not direct supervised institutions to automatically categorize all COVID-19 related loan modifications as troubled debt restructurings (TDRs).

The agencies will not criticize financial institutions that mitigate credit risk through prudent actions consistent with safe and sound practices. The agencies consider such proactive actions to be in the best interest of institutions, their borrowers, and the economy. The approach is consistent with the agencies' longstanding practice of encouraging financial institutions to assist borrowers in times of naturel disaster and other extreme events. The agencies also will not criticize institutions that work with borrowers as part of a risk mitigation strategy intended to improve an existing non-pass loan.

READ THE STATEMENT

American Bankers Association

ABA Releases New Coronavirus Resources to Banks

ABA published a suite of new resources for member banks to help them navigate the challenges of their customers and employees during this pandemic. The resources include

- A comprehensive set of FAQs covering a range of topics, including regulatory concerns, workforce health and safety and branch operations.
- A list of common practices compiled based on feedback from ABA members nationwide, for banks forced to alter operations in response to the coronavirus.
- A coronavirus communications toolkit for bankers that includes sample talking points, FAQs for frontline staff and a sample correspondence with customers if needed.

Bankers can find these and other resources, plus the latest developments from the Centers for Disease Control and Prevention, the banking agencies and others by visiting www.aba.com/coronavirus.