

Oregon Division of Financial Regulation Bulletin No. DFR 2020-07

TO: All Oregon-regulated lenders and loan servicers

DATE: March 20, 2020

RE: Providing assistance to borrowers affected by the COVID-19 pandemic

Purpose

This bulletin encourages all Oregon-regulated lenders and loan servicers to take active measures to help borrowers economically affected by the COVID-19 pandemic. This includes offering loan forbearance plans, fee waivers, and other deferred payment options.

Background

On March 8, 2020, Gov. Kate Brown declared a state of emergency in Oregon to address the spread of COVID-19. State and federal officials have implemented numerous public health measures to slow the spread of COVID-19 and to protect people who are at highest risk for contracting the disease.

This global pandemic and the necessary public health measures that are being taken are creating an economic hardship on people and businesses across Oregon. Many will have difficulty making their scheduled loan payments.

Federal financial regulators are working with state agencies that regulate lenders to suggest reasonable and prudent steps to help customers in communities affected by COVID-19. Consistent with these efforts, the Oregon Division of Financial Regulation, on behalf of the Department of Consumer and Business Services, is providing this guidance to our state-regulated lenders and servicers on reasonable measures that may be used in pandemic situations that prevent people from repaying loans.

Guidance

The division encourages its regulated lenders and financial service providers to take active measures to provide help to people and businesses affected by the pandemic. Accommodations for borrowers should comply with safe and sound banking practices and other applicable state and federal prudential regulations. These steps include:

Mortgages:

- Forbearing mortgage payments for 90 days from their due dates
- Offering mortgagors an additional 90-day grace period to complete trial loan modifications, and ensuring late payments during the COVID-19 pandemic do not affect their ability to obtain permanent loan modifications
- Postponing foreclosures and evictions for 90 days

Mortgages and loans:

- Offering payment accommodations, such as allowing borrowers to defer payments, extending the payment due dates, or otherwise adjusting terms of existing loans, which would avoid delinquencies and negative credit agency reporting
- Easing credit terms for new loans
- Refraining from reporting late payments to credit rating agencies for 90 days
- Waiving late payment fees and any online payment fees for 90 days
- Ensuring that borrowers do not experience a disruption of service if the lender closes its office, including providing other avenues for borrowers to continue to manage their accounts and make inquiries
- Actively reaching out to borrowers via app announcements, text, email, or otherwise to explain the above-listed help being offered by lenders

Financial institutions:

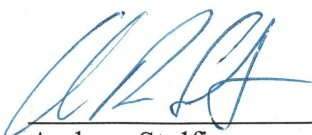
- Waiving overdraft and nonsufficient funds fees

The division considers the above measures to be in the public interest and assures Oregon regulated lenders they will not be subject to regulatory criticism by the division for making reasonable and prudent efforts to help borrowers who are temporarily unable to repay their loans due to the COVID-19 pandemic.

This bulletin applies to:

- Banking institutions, as defined in ORS 706.008
- Credit unions, as defined in ORS 723.006
- Mortgage bankers, mortgage brokers, and loan originators, as those terms are defined in ORS 86A.100, required to be licensed under ORS 86A.095 to 86A.198
- Persons required to be licensed as consumer finance lenders under ORS 725.045
- Mortgage servicers, as defined in ORS 86A.303
- Payday loan lenders and title loan lenders, as defined in ORS 725A.010.

This bulletin is effective upon issuance.



Andrew Stolfi
Administrator/Insurance Commissioner
Division of Financial Regulation



Date