



QUESTIONS AND ANSWERS FROM THE MARCH 26TH COVID-19 ROUNDTABLE

Note: Gary Iorfido asked the questions below and the answers were submitted by attendees. They do not reflect the practice of ACBB.

Is anyone working on loan deferment/modification program or a short-term loan program? If so, can you provide some details?

- We developed a loan payment deferment program (90 days). In addition, we have developed a loan modification program for loans we originated and are not applying for new money.
- We are deferring P&I for up to 90 days with workout plans thereafter. Late charges waived, no late notices, no credit reporting and take them off auto pay.
- We are allowing borrowers to skip 3 payments, with a balloon at the end of the term. Interest will still accrue.
- The Bank is considering offering principal and interest deferment for 3 months. Principal will be added to back-end of loan as balloon. Interest will be caught up over a six-month period following the three-month deferment period
- We're going to start with letting the borrower skip two payments and add the whole amount as a balloon payment at the end of the loan or line. They won't be charged interest on the interest deferred. Using a modification agreement to document the deferral.

Are you changing branch operations and accommodations for customers? Are you making any accommodations for senior citizens, especially those who don't have mobile access?

- I am in Maryland and our lobby is open from 9-9:30 to Seniors and 9:30-11:30 to Commercial Customers. The rest of the day is by appointment only.
- We are encouraging online account opening.
- We are directing individuals to online account opening as well.

How should we verify that a borrower is affected?

- You should be able to see proof of unemployment and by looking at account statements.
- We first look at the state essential industries list. We also review if ACH payroll has ceased. Also request an employer and customer letter.
- We need a signed statement from the borrower, I believe we will also review income and collect paystubs.

Can a line be frozen if a borrower asks for deferments?

- We had discussed freezing lines but decided against it due to reputational risk.
- We are not freezing lines at this point.

Should deferments be done for LOC's, investment loans? Can deferments be offered to Commercial loans where the business is closed, or should they apply for the federal disaster relief loan?

- We are deferring 3 months payments on commercial loans across the board. Even essential life industries have seen dramatic downturn in come.

What is the best way of managing fees, specifically Overdrafts and ATMs? Are institutions keeping fees the same, granting refunds on case-by-case, or waiving fees all together for x-period of time?

- We are granting refunds case by case.

How do you handle communicating with borrowers when signatures are required? How are signatures being notarized?

- We are signing via the drive-thru. Notary will stand at drive thru and witness the customers signature.

How will you handle escrow payments if you currently collect them?

- Cannot waive escrow for loans sold in the secondary market because investors rules do not permit borrowers to skip paying their escrow
- No, the customer is still responsible for making their escrow payments so that we have enough money to pay their taxes

Are you reporting delinquent borrowers to the Credit Bureau?

- We are not reporting to the credit bureaus

Are you easing restrictions for non-customers to cash checks?

- We are not changing our policies as of yet for non-customers due to risk

How are you handling customers with Autopay?

- The customer is responsible for freezing auto pay

When offering relief loans can we get CIP (driver's license) emailed from the new customer so they won't need to come into a branch to lessen the spread of virus?