

Press Releases

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OTS 11-010 - OTS Encourages Thrifts to Work with Customers and Communities Affected by Natural Disasters

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Washington, D.C. — The Office of Thrift Supervision (OTS) today urged thrifts in areas affected by natural disasters to work with customers and communities to meet their financial services needs and facilitate rebuilding.

In deciding whether to close business operations before or after an emergency, thrift managers must balance the safety of customers and employees against the need for customers to maintain access to their deposited funds.

The OTS urged thrifts to consider:

- Waiving charges temporarily for late payments and penalties for early withdrawal of savings;
- Reassessing the credit needs of their communities and offering prudent loans to help rebuild;
- Expediting lending decisions, consistent with safety and soundness principles;
- Restructuring borrowers' debt obligations, when appropriate, by adjusting payment terms;
- Soliciting state and federal guarantees and other means to help mitigate excessive credit risks; and
- Participating in programs offered by the Federal Home Loan Banks.

To facilitate rebuilding efforts, while maintaining standards of safety and soundness, the OTS will:

- Consider granting emergency exceptions to appraisal standards;
- Take an institution's disaster relief activities into account when evaluating the institution's performance under the Community Reinvestment Act;
- Consider granting time extensions for institutions to submit regulatory filings;

- Work with institutions with sudden growth from temporary deposits of insurance proceeds;
- Not criticize reasonable loan documentation deficiencies resulting from relocation of thrift offices or shortages of employees during recovery efforts; and
- Consider accelerating OTS approval of temporary facilities for thrifts with destroyed or severely damaged facilities to continue to serve customers and communities.

In areas affected by natural disasters, these measures will help borrowers meet their financial obligations, help communities revitalize and help thrift institutions remain stable during recovery.