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OCC Outlines Measures to Assist Flood Stricken Areas

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today outlined measures to assist areas that experienced recent flooding, storms, and related disaster conditions.

The OCC recognizes that the effects of natural disasters on individuals and businesses are often temporary, and that prudent efforts to adjust or alter terms on existing loans in areas affected by the disasters and related problems should not be subject to examiner criticism.

OCC policy as stated in OCC Bulletin 97-15 encourages national banks to consider various alternatives that may include:

- extending the terms of loan repayments;
- restructuring a borrower's debt obligations; and,
- easing loan documentation or credit terms for new loans to certain borrowers, consistent with prudent banking practice.

The OCC notes that these measures could help borrowers recover their financial strength and enable them to be in a better position to repay their debts. These recovery efforts can contribute to the health of the local community and the long-term interests of the national bank.

It is OCC policy for examiners not to criticize prudent efforts by national banks to adjust or alter loan repayment terms or extend new loans to borrowers affected by a natural disaster.

The OCC will also use accelerated procedures to approve temporary banking facilities for a national bank with destroyed or severely damaged branches that wants to serve customers affected by the floods.

National banks in need of assistance in dealing with customers affected by flooding, storms, and related disaster conditions should contact the OCC's district offices located in Chicago, Kansas City, New York, Atlanta, Dallas, and San Francisco.

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The OCC charters, regulates and supervises approximately 2,800 national banks and 66 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.

