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OCC Outlines Measures to Assist Western and Midwestern States

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today outlined measures to assist areas of Western and Midwestern states affected by flooding and ice storms.

The OCC encourages national banks to work with borrowers in communities experiencing natural disasters. OCC policy as stated in OCC Bulletin 97-5 encourages national banks to consider various alternatives that may include:

- extending the terms of loan repayments;
- restructuring a borrower's debt obligations;
- easing loan documentation or credit-extension 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 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.

The point of contact for national banks in need of assistance in dealing with customers affected by the natural disasters in Western states is the OCC's district office in San Francisco at (415) 545-5900. In the Midwestern, contact the Kansas City district office at (816) 556-1800.

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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.