

United States Senate

WASHINGTON, DC 20510

March 9, 2020

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

The Honorable Jelena McWilliams
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

The Honorable J. Mark McWatters
Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Mr. John Ryan
President and CEO
Conference of State Bank Supervisors
1129 20th Street NW
9th Floor
Washington, D.C. 20036

The Honorable Joseph M. Otting
Comptroller
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

The Honorable Kathleen Kraninger
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552

The Honorable Mark A. Calabria
Director
Federal Housing Finance Agency
400 7th Street SW
Washington, D.C. 20024

Dear Chairman Powell, Comptroller Otting, Chair McWilliams, Director Kraninger, Chairman McWatters, Director Calabria, and Mr. Ryan:

As the United States mobilizes to respond to the recent outbreak and spread of COVID-19, the novel coronavirus, we write to urge you, in consultation with appropriate state and federal agencies, to provide financial institutions with guidance to help assist affected individuals and communities, consistent with safety and soundness of the financial system.

As you may well know, the novel coronavirus has sickened more than 108,000 people around the world, and killed more than 3,500 people to date. While this situation is rapidly evolving in the United States, the Centers for Disease Control and Prevention (CDC) has said the potential public health threat posed by COVID-19 is very high and the spread of the disease in other countries shines a light on the need for a whole-of-society response.¹ Much of the U.S. response has been appropriately focused on access to testing and medical care, with Congress allocating substantial resources to fighting this virus. The Federal Reserve has also recently made a decision to cut interest rates in an effort to address any macroeconomic impacts. It is now vital that the broader financial system follow suit by assuring consumers that their economic

¹ <https://www.cdc.gov/coronavirus/2019-ncov/summary.html>

circumstances – and in particular their credit scores – will not be negatively impacted by this crisis.

On March 3, 2020, the CDC issued an interim guidance recommending that specific community actions be taken to limit exposure to the virus,² on top of previously recommended community-based interventions in the event of a COVID-19 outbreak such as school dismissals, event cancellations, social distancing, and creating employee plans to work remotely.³ While the spread of COVID-19 is likely to affect different individuals, families, and communities differently, it is increasingly likely that a significant number of Americans will need to practice social distancing in some way. No one should be penalized financially or suffer financial duress for following CDC guidance.

As Americans seek to comply with CDC guidance and protect the well-being of their families, many consumers may face negative shocks to household finances, including challenges with paying their day-to-day bills, credit cards, student loans, small business loans and mortgage payments, among other financial obligations. Accordingly, we urge you to issue guidance to financial institutions encouraging them to work with consumers and businesses affected by the virus and to recognize that they may have difficulty accessing affordable credit and face temporary hardship in making payments on their credit obligations. This guidance should encourage financial institutions to make efforts to modify terms on existing loans or extend new consumer-friendly access to credit to help consumers and businesses affected by the virus, consistent with safe-and-sound lending practices. The guidance should also encourage financial institutions to take steps to prevent adverse information from being reported to the credit bureaus and utilized in any manner that harms consumers affected by the virus.

We look forward to hearing swiftly from you about what steps you will take to provide regulatory clarity for financial institutions seeking to assist customers during this challenging time. Ensuring appropriate containment of COVID-19 is a community effort, and it is imperative that our regulators work with financial institutions to prioritize the financial, mental and physical well-being of consumers.

Thank you in advance for your prompt attention to this matter. We are anxious to hear your response.

Sincerely,



Mark R. Warner
United States Senator



Sherrod Brown
United States Senator

² <https://www.cdc.gov/coronavirus/2019-ncov/php/risk-assessment.html>

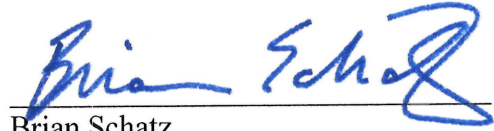
³ https://www.cdc.gov/coronavirus/2019-ncov/community/index.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fpreparing-individuals-communities.html



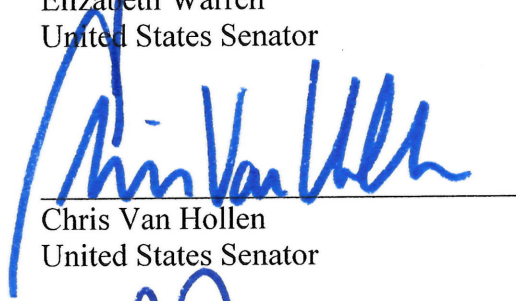
Robert Menendez
United States Senator



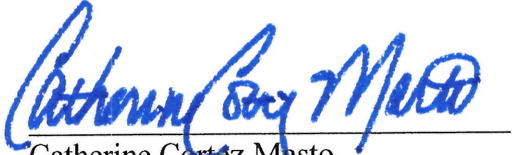
Elizabeth Warren
United States Senator



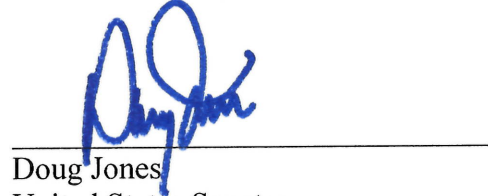
Brian Schatz
United States Senator



Chris Van Hollen
United States Senator



Catherine Cortez Masto
United States Senator



Doug Jones
United States Senator