



KIM REYNOLDS
GOVERNOR
ADAM GREGG
LT. GOVERNOR

JEFF PLAGGE
SUPERINTENDENT

March 24, 2020

To Bank Presidents and CEOs:

Much has changed since my last update on March 18, 2020. I know you are all getting inundated with information, so I will try to keep this update succinct.

Borrower Assistance Programs

The SBA has rolled out the ***Economic Injury Disaster Loan Program***. The program is a direct lending program to businesses with up to \$2 million per borrower at 3.75% for small businesses and 2.75% for non-profits. Every state has now been qualified for this program, so activity levels on the SBA application site and call centers will be extremely high. I encourage you to help your customers understand the benefits of the program and assist them with the application process, if needed. Program details, web-links, and phone numbers can be found [here](#).

Governor Reynolds also announced yesterday the Iowa Small Business Relief Program, which offers a combination of grant assistance of \$5,000 to \$25,000 per applicant and a deferral of sales and use or withholding taxes due and wavier of penalty and interest. The deadline for applications is March 31st at noon. Program details and web-link can be found [here](#).

Congress is currently working on a bill that will no doubt offer more assistance to consumers and businesses impacted by COVID-19. It is unknown at this time when that bill might pass, so in the meantime, we encourage you to consider the SBA Emergency Injury Disaster Loan Program and all of the other standard SBA programs, as well as the State of Iowa's Small Business Relief Program. A borrower can always rescind an application for the SBA Economic Injury Disaster Loan Program if the bill from Congress has better options and is signed by the President before the customer's SBA loan closes.

Governor Reynolds' March 22, 2020 Proclamation of Disaster Emergency

This proclamation includes a host of new state directives. I would highlight Section Two of the proclamation, Suspension of Foreclosures. This follows the earlier decision by the Department of Housing and Urban Development (HUD) and the Federal Housing Finance Authority (FHFA) to suspend foreclosures and evictions within their jurisdiction. Please contact your bank's attorney for details and answers to your questions about these foreclosure suspension provisions. The Governor's March 22nd Proclamation of Disaster Emergency can be found [here](#).

IDOB Proclamation of Suspension of Statutes Due to Disaster Emergency

We have received several calls regarding upcoming bank annual meetings. With the current social distancing and stay-at-home directives, it is not advisable or practical to attempt to hold an annual meeting in person at the principal place of business. This IDOB proclamation temporarily suspends that requirement and allows banks to hold the meeting remotely or to postpone the meeting to a later date. Details of the proclamation can be found [here](#).

To Bank Presidents and CEOs
March 24, 2020
Page 2

Mortgage Loan Pipeline and Current Challenges

Again, with social distancing, essential services for mortgage lending were being hindered in some cases due to closed county courthouses. On March 21st, Governor Reynolds sent a letter to all County Auditors, Recorders, and Treasurers thanking them for their critical work and also asking them to facilitate the full range of vital mortgage-related services in order to keep Iowa's mortgage process functioning. A copy of the letter can be found [here](#).

Off-Site Exam

We continue to review and refine our exam protocols and processes during this time. We know most banks have reduced FTE resources, challenged technology resources, and are 100% focused on your staff, customers, and communities right now. We are continuing to review what we need to examine during off-site exams and the information request list we send you prior to the start of the exam. Please be patient as we work through this process and recognize that anything we defer for now may be requested later. We have appreciated your feedback.

Loan Modifications and TDRs

These two topics, and many others, are front and center in the regulatory community. An Interagency Statement was released on March 22, 2020, that addresses these two topics and several others. I am sure this will not be the last Interagency Statement on the topics. A copy of the March 22, 2020, Interagency Statement can be found [here](#).

Memorandum for Financial Services Sector

Treasury Secretary Steven T. Mnuchin issued a statement on March 22, 2020, identifying the financial services sector as part of the Critical Infrastructure Sector by the Department of Homeland Security (DHS). You can find a copy of the statement [here](#).

I want to thank all of you for your ongoing communications with the IDOB and your bank analysts. The Iowa banking sector has reacted swiftly and professionally to the crisis and found ways to protect their employees and their customers while still providing essential banking services. The world of technology has changed dramatically since the 2008 financial crisis and is really making a difference in customers' ability to access information on their banking relationship and Iowa banks' ability to continue to offer a high level of service and services to customers. None of us can predict how long this virus will remain active, so I expect we will all have further adjustments to make as time goes on.

Stay safe and please continue to contact us with questions, concerns, or important information.

Sincerely,



Jeff Plagge
Iowa Superintendent of Banking