

## Press Releases

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### OTS 03-32 - Thrifts In States Affected By Hurricane Isabel Are Encouraged By OTS To Assist Customers In Need

#### Office of Thrift Supervision

FOR RELEASE at 1:00 P.M. EDT

For further information

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OTS 03-31

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### Thrifts in States Affected by Hurricane Isabel are Encouraged by OTS to Assist Customers in Need

WASHINGTON -- The Office of Thrift Supervision (OTS) today announced steps thrifts could take to assist their customers in the areas affected by Hurricane Isabel.

"Efforts by thrifts to modify existing loans in the areas impacted by the damage from Hurricane Isabel will be given due consideration by thrift examiners," said OTS Deputy Director Rick Riccobono. "While the effects of natural disasters and other emergencies on individuals as well as businesses are usually temporary, the immediate impact on the lives of people affected by the disaster is always considerable. With this in mind, we will work with thrifts to identify ways to assist their customers' and their communities' recovery efforts."

In particular, OTS encourages all thrifts operating in or extending services near the areas affected by Hurricane Isabel to work with their customers and affected communities by:

- Considering temporarily waiving late payment charges and early withdrawal of savings penalties;
- Reassessing the current credit needs of their communities and offering prudent loans to help rebuild damaged property;
- Restructuring borrowers' debt obligations, where appropriate, by altering or adjusting payment terms;
- Soliciting state and federal guarantees and other means to help mitigate excessive credit risks; and
- Considering all available programs offered by the Federal Home Loan Banks.

In order to facilitate rebuilding efforts in the areas affected by Hurricane Isabel, while maintaining standards of safety and soundness, OTS will:

- Consider granting emergency exceptions to applicable appraisal standards;
- Take into account an institution's disaster relief efforts when evaluating the institution's CRA's performance;
- Grant extensions of time for submission of regulatory filing requirements;

- Allow reasonable loan documentation deficiencies necessitated by thrift office relocation or personnel shortages during the period of recovery efforts;
- Temporarily waive the Qualified Thrift Lender requirements for institutions meeting their capital requirements in order to help rebuild businesses; and
- Accelerate procedures to approve temporary facilities so that thrifts with destroyed or severely damaged facilities will be able to continue to serve their customers and communities.

The OTS believes that many of these measures may help borrowers recover their financial strength and place them in a better position to meet their financial obligations. These efforts will help to revitalize a distressed community, and stabilize the thrift industry. Additional information regarding OTS's disaster relief guidelines is in OTS Thrift Bulletin (TB) 71, which is available at the OTS web site at <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-32a.pdf>.

Thrifts that need assistance in dealing with customers in areas affected by Hurricane Isabel should contact their regional OTS office. At the OTS Southeast Regional Office, in Atlanta, Georgia, thrifts can contact Art Goodhand, at 404-888-8565; and in the OTS Northeast Regional Office, in Jersey City, New Jersey, the contact person is Richard Denby, at 201-413-7316.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).