

Federal Reserve Supervisory Updates

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The Federal Reserve System will suspend examinations for most banks under \$100 billion in assets, with one exception.

The lone exception announced in a statement Tuesday will be for banks "critical to safety and soundness or consumer protection." For banks over \$100 billion in assets, most examinations will be postponed.

In addition, the statement noted:

- Banks are encouraged to work prudently with borrowers to mitigate credit risk, as set forth in the [Interagency Statement](#) from March 22.
- The Fed will extend the time period for remediating supervisory findings by 90 days.
- Large banks should still submit their Comprehensive Capital Analysis and Review (CCAR) by April 6.

The Interagency Statement, jointly issued by six U.S. federal and state banking regulators, provides additional guidance for banks regarding loan modifications and past-due reporting. The guidance notes that short-term loan modifications, including payment deferrals, fee waivers, and payment extensions, generally will not be categorized as troubled debt restructurings.

The most recent announcement from the Federal Reserve is the latest in a string of actions from the central bank related to industry-wide difficulties resulting from the spread of COVID-19. In addition to supervising and regulating financial institutions, the Fed plays a key role in promoting the health of the U.S. economy and the stability of its financial system. More information on recent monetary policy activities can be found [here](#).

Financial institutions based in central Pennsylvania, like others across the country, have implemented new measures to assist customers affected by COVID-19. These measures include implementing financial hardship programs, increasing mobile deposit limits, and temporarily waiving certain fees to help consumer and business customers weather the current situation. Customers should contact their banks for more information regarding available programs.

If you have any questions on the latest Fed activity and notices, please [contact me](#) or anyone in our [Banking Industry Group](#).

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