

NR 96-98  
September 16, 1996

OCC Outlines Measures to Help Borrowers  
Hurt by Hurricanes and Flooding

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today outlined measures to assist areas of the eastern coast of the continental United States and the Caribbean affected by the recent hurricanes and related flooding.

The OCC encourages national banks to work with borrowers in communities affected by such disasters. OCC policy, as stated in OCC Bulletin 95-65, encourages banks to consider, consistent with prudent banking practice, alternatives that may include:

- extending the terms of loan repayments;
- restructuring a borrower's debt obligations;
- helping the borrower obtain disaster relief and advances on insurable claims; and,
- easing loan origination and underwriting standards for new loans to affected borrowers.

It is long standing OCC policy for examiners not to criticize prudent efforts to adjust or alter loan terms or extend new loans to borrowers affected by a natural disaster. The OCC recognizes the benefits these measures may produce in helping borrowers recover their financial strength and regain the ability to repay their debts. These recovery efforts will contribute to the health and long-term interest of the local community, as well as national banks.

The OCC also is using expedited procedures to approve temporary banking facilities for national banks with destroyed or severely damaged banking facilities. National banks should implement the necessary temporary facilities to continue service to customers affected by the disaster.

The OCC disaster contact points are:

- For banks located in the Caribbean or along the east coast north of Virginia, contact the district office in New York at (212) 819-9860 for voice or (212) 790-4098 for Fax.
- For banks located in Virginia and along the southeast coast, contact the district office in Atlanta at (404) 659-8855 for voice or (404) 588-4532 for Fax.

OCC Bulletin 95-65, Working with Borrowers Affected by Natural Disasters (November 29, 1995) is available for downloading in Word Perfect or ASCII format from the OCC's Internet site at: <http://www.occ.treas.gov/bullist.htm>. Bulletin 95-65 is also available 24 hours a day from the OCC's Information Line system. From your touch tone phone or fax machine with phone, dial (202)

479-0141. The document identifier number is 29565.

# # #

The OCC charters, regulates and examines 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 the safety and soundness of the national banking system.