OTS Encourages Thrifts in Path of Hurricane Ivan to use Prudence in Protecting Employees while Assisting Customers in Need

WASHINGTON - The Office of Thrift Supervision (OTS) today urged thrifts in the path of Hurricane Ivan to exercise the utmost care and caution to protect the personal safety of their employees while continuing to assist their customers in need. OTS asked thrifts to consider all reasonable steps available for maintaining operations for as long as prudently possible to assist customers' cash and financial needs in connection with hurricane preparation and evacuation procedures.

In particular, OTS asked thrifts to continue to maintain and service ATM facilities and other cash disbursement operations, as well as any other operations essential to evacuation and hurricane preparedness for as long as possible prior to the impact of Hurricane Ivan. OTS stressed, however, that under no circumstances should the personal safety of institution employees or customers be compromised to maintain any thrift institution operations. OTS added that it will work with thrifts to assist institutions in maintaining their operations prior to the hurricane as well as to restore operations and continuity after the hurricane has passed.

Acknowledging that it may be difficult for institutions to assess the potential impact of Hurricane Ivan, OTS stressed that good communication is the best way to allay customer fears and concerns while also protecting the personal safety of an institution's employees and customers. In this regard, OTS has offered to assist all affected thrifts to ensure an effective communication and business continuity strategy.

Finally, OTS reminded thrifts about steps available to thrifts to assist affected customers in areas that experience the effects of Hurricane Ivan. In particular, OTS noted that efforts by thrifts to modify existing loans in areas impacted by the damage from Hurricane Ivan will be given due consideration by thrift examiners.

OTS encourages all thrifts operating in or extending services near areas affected by the hurricane 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 the hurricane, 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 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.

OTS believes that these measures will help borrowers affected by the hurricane to recover their financial strength and place them in a better position to meet their financial obligations. These efforts will help to revitalize affected communities and ensure the continued stability of thrift institutions involved in the recovery of areas affected by the hurricane. Additional information regarding OTS’s disaster relief guidelines is in the OTS Thrift Bulletin (TB) 71 (http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-40a.pdf) which is available on the OTS web site.

Thrifts requiring assistance in dealing with customers in areas affected by Hurricanes Ivan, Frances or Charley 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 at the OTS Midwest Regional Office, in Dallas, Texas, thrifts can contact Duane Thorkildsen at 972-277-9539.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.