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**United States Senate**  
COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS  
WASHINGTON, DC 20510-6075

July 31, 2020

The Honorable Randal Quarles  
Vice Chairman for Supervision  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

The Honorable Brian Brooks  
Acting Comptroller of the Currency  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW  
Washington, DC 20219

The Honorable Jelena McWilliams  
Chairman  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

The Honorable Rodney E. Hood  
Chairman  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

The Honorable Benjamin S. Carson, M.D.  
Secretary  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW  
Washington, DC 20410

The Honorable Mark Calabria  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> Street SW  
Washington, DC 20219

Dear Vice Chairman Quarles, Acting Comptroller Brooks, Chairman McWilliams, Chairman Hood, Secretary Carson, and Director Calabria:

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in order to provide emergency assistance and support to individuals and businesses affected by the pandemic and economic downturn. Title IV of the CARES Act included several important provisions to provide temporary relief to financial institutions to stabilize markets and increase credit, lending, and liquidity in the marketplace that built on the ongoing efforts by federal financial regulators.

I applaud the vital actions taken by the federal financial regulators to provide liquidity to the marketplace and support lending to households and businesses since the beginning of the COVID-19 crisis and national emergency declaration. Although there are already early, encouraging signs that the U.S. economy is beginning to heal, federal financial regulators must remain diligent, and continue to provide relief in light of a pandemic and economic conditions that continue to evolve. The federal financial regulators should use their existing authority to extend relief provided under certain CARES Act provisions, including extending temporary relief for:

- The Community Bank Leverage Ratio to December 31, 2021;
- Troubled Debt Restructurings (TDRs) to January 1, 2022; and
- The Current Expect Credit Losses (CECL) methodology to January 1, 2023, while clarifying and minimizing unintended effects of mid-year adoption.

Although it is outside of the purview of the federal prudential regulators, it would also be prudent to extend relief related to TDRs and CECL to insurers and nonbanks that engaged in similar activities to banks and credit unions that are equally affected by these policies during this difficult time.

Additionally, many recognize the unique role that minority depository institutions (MDIs) play in promoting economic activity in the communities they serve, particularly in minority and low- and moderate-income (LMI) communities. The federal financial regulators have made meaningful efforts in recent years to promote MDIs. In light of the COVID-19 pandemic and its severe economic impact, it is even more important to consider what additional steps can be taken to further strengthen these institutions and promote their economic activity to facilitate credit, lending, and liquidity across the communities they serve, including through regulatory clarity, increasing capacity, and strengthening relationships with the federal government. Among the proposals offered by Members of Congress and stakeholders are:

- Codifying the Minority Bank Deposit Program;
- Strengthening partnerships between MDIs and Treasury, including through the establishment of deposit-related programs;
- Simplifying requirements for MDIs to raise capital; and
- Clarifying the regulatory treatment of troubled loans and capital requirements for Community Development Financial Institutions (CDFIs) and MDIs.

Finally, I encourage the following CARES Act Title IV temporary provision extensions to further stabilize our nation's mortgage market:

- An extension of the Department of Housing and Urban Development's (HUD) single-family foreclosure and eviction moratorium;
- An extension of the Federal Housing Finance Agency's (FHFA) single-family foreclosure and eviction moratorium; and
- An extension by FHFA of the maximum duration of multifamily mortgage forbearance for loans backed by Fannie Mae and Freddie Mac, beyond the current period of six months.

These important changes will continue to provide flexibility for financial institutions to lend to households and businesses in response to this pandemic, and I strongly encourage their prompt consideration.

Sincerely,

A handwritten signature in blue ink that reads "Mike Crapo". The signature is written in a cursive, flowing style.

Mike Crapo  
Chairman