

January 17, 2019

# Massachusetts Division of Banks Guidance on Government Shutdown

Consistent with guidance jointly issued by the Federal Reserve, FDIC, Consumer Financial Protection Bureau, National Credit Union Administration, Office of the Comptroller of the Currency, and Conference of State Bank Supervisors, the Massachusetts Division of Banks encourages financial institutions in the Commonwealth to work with consumers and small businesses affected by the federal government shutdown.

While the effects of the federal government shutdown on individuals should be temporary, affected borrowers may face a temporary hardship in making payments on debts such as mortgages, student loans, car loans, business loans, or credit cards. As they have in prior shutdowns, financial regulators encourage institutions to consider prudent efforts to modify terms on existing loans or extend new credit to help affected borrowers.

Prudent workout arrangements that are consistent with safe-and-sound lending practices are generally in the long-term best interest of the financial institution, the borrower, and the economy. Such efforts should not be subject to examiner criticism.

Consumers and small business owners affected by the government shutdown are encouraged to contact their lenders immediately should they encounter financial strain.