April 2, 2020

To: All State-Chartered Depository Institutions  
From: Christopher Dietz, Deputy Director

Re: State Level Relief

The Indiana Department of Financial Institutions (“the Department”) recognizes the operating stress being placed on financial institutions as a result of the COVID-19 health crisis. The Department has worked hand-in-hand with federal agencies in Washington, DC to provide input on many of the industry relief efforts issued by the regulatory agencies, such as issuances that touch on responsible small dollar lending, Call Report submission extension, working with borrowers impacted by COVID-19, CRA considerations, discount window access, capital buffers, pandemic planning, and several more issuances still to come. We would encourage all state-chartered financial institutions to review the numerous relief efforts that have been issued on a state/federal basis, and reach out to your DFI Central Point of Contact (“CPC”) with any questions. In recognition of the challenges facing financial institutions at the current time, the Department would like to initiate our own state-level actions in order to ease regulatory burden on Indiana state-chartered financial institutions during the COVID-19 pandemic. The following actions will take effect on April 1, 2020.

Relief Efforts:

1. **Pause in Examination Activity** – Recognizing the challenges that the industry is facing at this time and attempting to be accommodative to your staff, the division has suspended nearly all examination activity at our supervised depository institutions until April 26, 2020. Independent DFI examinations currently in progress are being completed; however, the Department will not start any independent DFI examination prior to the above date, unless specifically requested by an institution. Despite a pause on examination activity, all institutions are asked to proactively communicate with your CPC on questions, concerns, or issues as they arise.

2. **Temporary Branch Closing Procedures** - The Department is suspending, for the next 60 days, the prior notice requirements for temporary branch office closures in excess of 48 hours, as detailed in 28-13-10-9(f). Financial institutions will not be required to give prior notice to the DFI Director for the closing of any branch office; however, the Director does request notification within a reasonable time after the branch office closure. That notification can continue to be directed to Depository Analyst, Kirk Schreiber, or Deputy Director, Chris Dietz. A financial institution must continue to prior notify the Director if it plans to close all branch offices or the financial institution’s main office.
In addition to branch closing, please contact Kirk Schreiber (kschreiber@dfi.in.gov) prior to submitting any application or amendment to the articles of incorporation in order for Mr. Schreiber to discuss altered submission methods and Secretary of State payment processes due to the current limited access to physical facilities.

3. **Audit Submission Requirements** - The Department extends the timing of the audit submission requirement for banks and corporate fiduciaries outlined in DFI Policy Statement 001-04 for an additional 60 days and the completion of an audit for credit unions, outlined in 28-7-1-18, by 60 days.

4. **Annual Meetings** – Indiana code directs corporate bylaws to designate the time and manner of the annual membership/shareholder meeting. Given the concern around gatherings, and Executive Order 20-08 issued by Governor Holcomb limiting gathering and travel outside of the home except for essential services, the Department does not object to a temporary change in the corporate bylaws to alter the manner in which meetings are conducted. Financial institutions should still ensure proper notice is given and all members/shareholders are given sufficient ability to participate in the meeting in whatever manners are designated. An ability to vote in the event a member/shareholder cannot attend the meeting shall also still be given.

**Troubled Borrower Spotlights:**

1. **Interagency Statement on Loan Modifications by Financial Institutions Working with Customers Affected by the Coronavirus** - We would like to spotlight the attached Interagency Guidance released on March 22, 2020. The Department supports working with borrowers in a prudent manner, allowing financial institution management to determine the best method to assist those impacted. The attached guidance references TDR determination considerations and past-due/non-accrual reporting. The Department will apply these concepts consistently across our supervised institutions. Financial institutions should continue to make prudent decisions with the goal of aiding the borrower, the institution, and the economy in general. During this time, institutions should continue to proactively identify risk with the credit portfolio, particularly if it becomes apparent that certain borrower’s repayment capacity will be permanently jeopardized. Prudent decisions to work with borrowers will not be criticized but assessing and identifying credit risk throughout the credit relationship will remain imperative.

2. **Trust Department Activity** – As institution staff become stretched thin, timely posting of transactions can become more difficult, particularly in trust departments. Activity in employee benefit accounts, or any account type, could increase due to these difficult times, including transactions such as the reduction or termination of 401(k) plan contributions, partial withdrawals of 401(k) plan monies, and loans from 401(k) plans. Additionally, retirement plan loan delinquencies may rise if employees can’t work, since 401(k) plan loan repayments are processed through payroll reduction (and not separate payments). Institutions are asked to reach out to their CPC if they are experiencing any delays in posting transactions or if operational capabilities decline.

3. **Programs for Struggling Hoosiers** - Finally, we would like to highlight the Indiana Housing & Community Development Authority (IHCDA) as borrowers speak with you about repayment
concerns. The IHCDA administers and facilitates programs that aid homeowners facing financial difficulty and the IHCDA can be a resource for our borrowers in need. Please encourage borrowers experiencing payment difficulty to review www.in.gov/ihcda, and please also make this resource aware to your loan officers.

Thank you for continuing to support your customers/members and the communities in which you operate.

Stay healthy!

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