Chairwoman Waters, Ranking Member McHenry, Chairman Meeks, Ranking Member Luetkemeyer, and members of the Subcommittee, thank you for this opportunity to discuss the OCC’s support to the nation during this public health emergency.

America’s national banks and federal savings associations entered this pandemic well equipped for their central role in facilitating the nation’s relief programs. Capital and liquidity were strong and asset quality good. Banks acted quickly from a position of strength to provide relief to their customers and communities and to deploy initiatives such as the Paycheck Protection Program, mortgage forbearance and foreclosure relief, and lending facilities that provide capital and liquidity so that our economy can continue to operate.

Since early March, the OCC has been in regular communication with the 1,200 banks we supervise to encourage them to work with borrowers while we navigate the challenges they face and other emerging issues. We have coordinated closely with other regulators to issue more than 40 pieces of guidance and rules that clarify expectations regarding capital, liquidity, accounting, and customer accommodation. These actions help banks to use their strength to support their customers and the communities.

In February, the agency also implemented enhanced market-data collection processes to closely monitor the condition of the industry. Agency executives meet daily to discuss issues facing consumers, banks, and the broader financial services industry. This effort has resulted in
real-time awareness of the condition of the banks and early identification of concerns allowing us to act promptly to promote the orderly flow of credit and banking services.

The agency has managed the demands of COVID-19, while nearly 95 percent of our staff has worked from home. While the nation plans to return to a more normal environment, the OCC is planning for its employees to return to offices and banks across the country. As we make this transition, we will put the health and safety of our employees at the forefront of every decision we make. We will continue to support them as they deal with the challenges COVID-19 presents.

Throughout our work, the OCC continues to support the vibrancy of minority depository institutions and community development financial institutions and their customers. MDIs and CDFIs focus their products and services in communities of need across the country, where capital and lending are often scarce and difficult to obtain. Our sustained commitment to these communities includes encouraging banks to document and track the Paycheck Protection Program loans made to small business borrowers located in low- to moderate-income areas. The OCC also directly supports MDIs with our advisory committee that provides insight into challenges facing these institutions, hosting collaboration roundtables that help connect them with helpful resources and technologies, publishing resources and reference materials, and paying special consideration to the needs of these institutions in the rules and guidance we issue so they may continue to meet their communities’ unique needs.

Thank you again for holding today’s roundtable, and I look forward to your questions.