



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter  
FIL-26-2020  
March 26, 2020

## Statement Encouraging Responsible Small-Dollar Lending to Consumers and Small Businesses in Response to COVID-19

**Summary:** The FDIC, Consumer Financial Protection Bureau, the Federal Reserve Board, the National Credit Union Administration (NCUA) and the Office of the Comptroller of the Currency (OCC) (collectively, “the agencies”) recognize the potential for the Coronavirus Disease (referred to as COVID-19) to adversely affect financial institution customers. The agencies are issuing a statement to encourage financial institutions to offer responsible small-dollar loans to consumers and small businesses.

**Statement of Applicability to Institutions Under \$1 Billion in Total Assets:** This Financial Institution Letter applies to all FDIC-supervised institutions.

### Distribution:

FDIC-Supervised Institutions

### Suggested Routing:

Chief Executive Officer  
Chief Lending Officer  
Chief Compliance Officer

### Attachments:

[Joint Statement on Small Dollar Loans](#)

[Joint Release, “Agencies Encourage Financial Institutions to Meet Financial Needs of Customers and Members Affected by Coronavirus” \(March 9, 2020\)](#)

[Joint Statement, “Pandemic Planning: Joint Statement on CRA Consideration for Activities in Response to COVID-19” \(March 19, 2020\).](#)

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### Highlights:

- The agencies recognize the important role that responsibly offered small-dollar loans can play in helping customers meet credit needs due to temporary cash-flow imbalances, unexpected expenses, or income short-falls during the current COVID-19 emergency.
- FDIC-supervised banks are well-suited to meet the credit needs of consumers and small businesses as a result of COVID-19. The agencies encourage financial institutions to continue to offer small-dollar loans in a manner that is consistent with safe-and-sound banking practices, provides fair treatment of consumers, and complies with applicable statutes and regulations, including consumer protection laws.
- The agencies are working jointly on future guidance and lending principles to facilitate the ability of financial institutions to offer responsible small-dollar loans.