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California Releases Guidance to Help Californians Experiencing Financial Hardship Because of COVID-19 Pandemic

Guidance aimed at lenders and other financial institutions

SACRAMENTO – Following Governor Gavin Newsom’s [Executive Order to protect renters and homeowners](#), the Business, Consumer Services and Housing Agency (BCSH) and the Department of Business Oversight (DBO) have [provided guidance](#) to help keep Californians from losing their homes or suffering further financial hardship as a result of the COVID-19 pandemic.

“During this pandemic, it is critically important to promote housing stability and protect residents losing their homes and to reduce financial hardships as much as possible,” said Secretary Lourdes Castro Ramírez. “We urge financial institutions and lenders to meet the challenge with us, protecting housing security and economic stability in their communities.”

Guidance was issued for [financial institutions](#) and for [escrow agents, finance lenders and services, student loan servicers, residential mortgage lenders and servicers, and mortgage loan originators](#), all of which are regulated by the DBO. This guidance encourages financial institutions and lenders to meet the financial services needs of customers and communities affected by the pandemic.

“Banks and other lenders should take positive steps to help customers and communities affected by COVID-19,” said DBO Commissioner Manuel Alvarez. “We urge banks and other financial institutions to immediately place a moratorium on foreclosures arising from causes related to the pandemic, and to take all possible steps such as restructuring debt, easing terms for new loans and making other accommodations.”

In addition to helping Californians avoid losing their homes, the new guidance makes allowances for lenders and other financial institutions who permit their employees to work from home. It also urges

banks and credit unions to waive some fees, such as automated teller machine (ATM) fees for customers and non-customers, overdraft fees, and late payment fees.

Banks and credit unions are also encouraged to increase credit card limits for creditworthy borrowers and to offer payment accommodations during the pandemic.

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The Business, Consumer Services and Housing Agency oversees Departments, Boards and Commissions whose mission is to protect consumers by licensing and regulating California professionals and businesses; preserve, expand and fund safe and affordable housing opportunities; and protect the civil rights of all Californians.

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