



STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA



COVID-19 Non-Depository Licensee Guidance

Office of Financial Institutions

April 14, 2020

In response to Governor Edwards' Proclamation No. 25 JBE 2020 dated March 11, 2020, and Proclamation No. 27 JBE 2020 dated March 13, 2020 declaring a Public Health Emergency, the Office of Financial Institutions (OFI) issued several emergency declarations. In addition, on March 22, 2020 Governor Edwards issued a statewide Stay-At-Home order which became effective at 5 p.m. Monday, March 23rd. This Order has been extended until April 30, 2020. As a result, OFI issued additional emergency declarations on April 9, 2020, which will expire on April 30, 2020, if not extended by further declaration of the Commissioner. Those declarations can be found on our website at www.ofi.la.gov.

As you assist your customers in facing the challenges related to the COVID-19 pandemic, we offer the following additional guidance.

Residential Mortgage Lenders, Brokers and Servicers Guidance

Effective March 27, 2020 the "Coronavirus Aid, Relief, and Economic Security Act" or commonly referred to as the "CARES Act" became law. Sections 4021 and 4022 of the CARES Act provide specific relief to borrowers affected by the COVID-19 pandemic. It is important to understand the provisions of these sections and how they affect your operations. Specifically in these sections are:

- (4021) Restrictions on credit bureau reporting for accommodations made to borrowers in response to the pandemic,
- (4022) A moratorium on foreclosures and a right to request forbearance for federally-backed mortgage loans,

Though sections 4021 and 4022 of the CARES Act are specific to federally-backed mortgage loans, OFI encourages all lenders to follow the terms of these provisions for all non-federally-backed mortgage loans, as well, to the same extent as if they were federally-backed.

Licensed Lender Guidance

Deferred Presentment Transaction and Small Loans

Loans subject to the Louisiana Deferred Presentment and Small Loan Act provide borrowers who are unable to repay a deferred presentment transaction, commonly referred to as a “payday loan” or a small loan (\$350 or less, with a term of 60 days or less) with a repayment option to repay the licensee the amount due in installments. This is referred to as an extended payment plan. OFI encourages Licensed Lenders who offer deferred presentment transactions or small loans as defined in LSA-R.S. 9:3578.3 (1) & (6) to continue to offer extended payment plans and to offer these plans more frequently than once in a calendar year. Additionally, for those loans that have already matured, we encourage lenders to offer payment plans to borrowers instead of making multiple collection attempts. These accommodations are especially important as coronavirus stimulus checks are deposited into borrower’s bank accounts since these funds may be needed for daily living expenses.

In addition to offering an extended payment plan more frequently and other accommodations, we also encourage licensees to provide borrowers with the following relief options during this time:

- Accept and credit all partial payments from borrowers
- Waive N.S.F fees and bank fees
- Offer discounted fees and finance charges on any new loans or existing loans
- Suspend negative reporting
- Defer payments

Consumer Loans

OFI encourages and supports Licensed Lenders who offer consumer loans as defined in LSA-R.S. 9:3516 (14) to provide borrowers with the following relief options during this time:

- Waive N.S.F fees and late fees
- Offer discounted fees and finance charges on any new loans or existing loans
- Suspend negative reporting
- Defer loan payments

Pawnbroker Guidance

Louisiana pawnbrokers may continue to operate during this time and comply with the hours of operation provision in LSA-R.S. 37:1790 (A) which states: “A pawnbroker shall neither open his place of business before the hour of 7:00 a.m. nor keep it open after the hour of 9:00 p.m., except in the month of December, during which time the hour of 9:00 p.m. shall be extended to 10:00 p.m.”

Pawnbrokers who temporarily close their location are encouraged to post a notice at the location detailing their contact information to assist pledgors with any questions. In addition, pawnbrokers with temporary closures are reminded of the provision in R.S. 37:1800 (B), which states, “In the event the pawnshop is not open for business on the maturity date, then the forfeiture date shall be the day immediately following the next business day the pawnshop is open after the maturity date.” The Louisiana Pawnbroker’s Association has also posted guidance on its website ([Louisiana Pawn Broker Association](#)) related to COVID-19 and has encouraged its members to go beyond this provision and allow the pledgor additional time to redeem the item in pledge. OFI is supportive of this measure during a natural disaster, such as a pandemic. OFI is also supportive of pawnbrokers offering discounted service charges and interest on any new or existing pawn transactions.

Check Cashier Guidance

In accordance with LSA-R.S. 6:1009(A)(1), Check Cashiers are permitted to charge 2% or \$5 of the total amount of the check presented for cashing, whichever is greater, for checks issued by or drawn upon the account of a public welfare or public assistance agency of the United States or the state of Louisiana. The upcoming government issued stimulus checks related to COVID-19 are considered public assistance checks and check cashiers may only charge a fee of 2% or \$5, whichever is greater for each transaction. OFI encourages Check Cashier licensees to offer discounted fees to their customers during this crisis.

General Guidance for all Licensees

Non-Depository licensees who temporarily close their locations are encouraged to post a notice at the location detailing their contact information to assist customers with any questions.

We strongly urge Non-Depository licensees to review the Louisiana Department of Health guidance for businesses and employers to plan and respond to COVID-19, which can be found on OFI’s website (www.ofi.la.gov). Appropriate safety precautions should be taken and social distancing should be instituted, not only between the customer and the institution, but also amongst the institutions’ employees.

If you have any questions regarding this guidance or any other matters of concern, please contact Michelle Jeansonne, Chief Examiner at 225-922-2596 or via email at mjeansonne@ofi.la.gov.