

Congress of the United States
House of Representatives
Washington, DC 20515-990

March 30, 2020

President XXX
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Dear President/CEO:

The oversight on financial institutions, including banks and credit unions, falls to the House Financial Services Committee in the United States House of Representatives. As Vice Chairman of the Committee, I want to first express my thanks to those financial institutions that have taken the initiative to assist our people with relief during these times. Many of our people on Guam are in dire straits, facing multiple headwinds in their health and financial security. Your proactive compassion is appreciated by both your customers and your country.

To further address these difficult challenges, the federal government recently passed the largest domestic relief package in U.S. history and have secured the broadest level of inclusion for Guam and the Territories relative to past relief packages afforded in the 2008 financial crisis and in 2001 after the 9/11 tragedy.

The Coronavirus Aid, Relief, and Economic Security Act includes provisions for mortgage loan forbearance on any mortgages that are federally affiliated, including, but not limited to VA mortgages, Rural Development mortgages, and mortgages serviced by local banks as part of Fannie or Freddie portfolios.

It has been brought to my office's attention by impacted constituents that certain financial institutions on Guam may be layering forbearance processing requirements on customers that are not actually required by federal regulators. Further concerning is the idea that these financial institutions are claiming that such requirements are mandated by the federal government or an affiliated federal entity.

Please be advised that such practices may be regarded as willfully fraudulent if the intent is to encumber the forbearance processing and thereby dissuading customers from seeking the sanctioned relief. This is particularly delicate as it is during a time of, and specific to, a declared national emergency and disaster. Federal action against any such fraudulent acts may be undertaken by the United States Attorney's Office and/or federal agencies of jurisdiction. Attached, please find correspondence from the Federal Housing Finance Agency addressing mortgage forbearance requirements.

I strongly advise all financial institutions to carefully review their process of entertaining and administering mortgage forbearance requests from customers to ensure full compliance with federal laws and regulations. I further advise proactive outreach by each financial institution to their respective customers who may qualify for such considerations, informing them of the opportunities and means through which they may avail.

Thank you for your time and attention to this sensitive matter. Our character as institutions within a community manifests most profoundly when the community needs us most.

Please stay safe, and may God Bless Guam, the United States, and all people everywhere.

Respectfully,

MICHAEL F.Q. SAN NICOLAS
Member of Congress