

Financial Institutions Meeting the Challenge of COVID-19

Ramon O. Looby
Senior Vice President, Public Policy Lead
Bank of America

Around the world, government and health officials continue to address the spread and impact of the coronavirus with Bank of America's full support and alignment. We are addressing a health and humanitarian crisis, and we will fight it together.



CARES ACT – Supporting Customers and Institutions

On March 27, 2020, the U.S. Congress passed The CARES Act – the Coronavirus Aid, Relief, and Economic Security Act – including \$2.2 trillion worth of economic relief for workers and families, small businesses, companies, health care systems, industries, states and municipalities.

Throughout this crisis, banks of all sizes have continued to serve individual, business, corporate, and institutional clients, and Bank of America is no different, we have focused our efforts on the execution of the CARES ACT programs.

Relevant Provisions Include:

- **Support for Individuals and Families**
- **Support for Small Business**
- **Support for industries, businesses, states, and municipalities**
- **Support for the health care system**



CARES ACT – Support for Individuals and Families

- Penalty-free withdrawals from 401(k) plans
- Enhanced unemployment benefits
- Prohibition of foreclosures on all federally-backed mortgage loans for a 60-day period beginning 18 March
- Up to 180 days of forbearance (not to impact credit reporting) for borrowers of a federally-backed loan who have experienced a financial hardship because of the coronavirus
- Rebate payments for individuals, couples, and families (\$1,200 for individuals, \$2400 for married couples, \$500 for every child under 17, subject to income requirements)
- Deferment of student loan payments, principal, and interest for 6 months without penalty for all federally owned loans.



CARES ACT – Support for Small Business

Payroll Protection Program

- Provides direct incentive to for small businesses to keep workers on the payroll
- SBA will forgive loans if all employees are kept on payroll for eight weeks.

Payroll Protection Program – By the Numbers

- 5,479 Banks Participated in Program
- \$349B (Exhausted Funds 4/16)
- \$310B (\$95B Remaining 5/20)
- 8 Years of SBA lending in less than a month
- 6,000 Professionals Redeployed



Payroll Protection Program – BAC Overview

98%

Of all loans for companies with less than 100 employees

80%

Of all loans for companies with less than 10 employees

95%

Of all loans were less than \$350,000

83%

Of all loans were less than \$100,000



Supporting Our Customers – Client Assistance Program

For our 66 million Consumer and Small Business clients experiencing hardship from impacts of the coronavirus, we are offering additional support through our **Client Assistance Program** (CAP)

Working on a case-by-case basis, as we've done in many other situations including the government shutdown and natural disasters, Bank of America's additional assistance for clients impacted by the coronavirus includes:

- **Consumer and Small Business deposit accounts:** clients can request refunds including overdraft fees, non-sufficient funds fees, early withdrawal penalties for certificates of deposit, and monthly maintenance fees.
- **Consumer and Small Business credit cards:** clients can request to defer payments, refunds on late fees.
- **Small business loans:** clients can request to defer payments, refunds on late fees.
- **Auto loans:** clients can request to defer payments, with payments added to the end of the loan.



Supporting Our Customers – Client Assistance Program

- **Mortgages and home equity:** clients can request to defer payments, with payments added to the end of the loan term for Bank of America-owned loans; loans owned or guaranteed by other entities, including Fannie Mae, Freddie Mac or FHA, offer consumer relief set by those agencies.
- In all of these instances, there will be no negative credit bureau reporting for up-to-date clients.
- Over the last few weeks, we've assisted more than **1.6 million clients** through our CAP relief efforts.



Financial Institutions – Supporting Local Communities

Financial Institutions are supporting the communities where we live and work by engaging at the local level to help the areas and regions most heavily affected.

- We have committed an **additional \$100 million to support and address pressing needs** related to the coronavirus, including healthcare, food, education and needs in vulnerable communities, in addition to the \$250 million provided each year.
- To help ensure continued learning amid widespread school closures, we are supporting the **Khan Academy's crisis response efforts** to provide free, interactive materials and tools for students, teachers and parents.
- We are providing up to **\$250 million in capital to community development financial institutions (CDFIs)** by funding loans through the newly established Paycheck Protection Program, and also will provide up to **\$10 million in philanthropic grants** to help fund the operations of CDFIs.



Questions

Please be in touch with any questions. Thank you for your leadership during these trying times.

Ramon O. Looby
SVP, Public Policy Lead
ESG | Capital Deployment | Public Policy
Bank of America Corporation
202.661.7108(o) | Ramon.Looby@bofa.com

