



John Bel Edwards
Governor

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA



John Ducrest, CPA
Commissioner
ED-Dep-09-20

July 24, 2020

Emergency Declaration by Commissioner of Financial Institutions

A statewide public health emergency has been declared by Governor Edwards' in the State of Louisiana as a result of the imminent threat posed to Louisiana citizens by coronavirus disease 2019 (COVID-19). The State of Louisiana has reason to believe that COVID-19 may be spread within the population by various means of exposure, therefore posing a high probability of widespread exposure and a significant risk of substantial future harm to a large number of Louisiana citizens. To help minimize this risk, Governor Edwards' continues to issue Proclamations relating to a Public Health Emergency for COVID-19, which are available to the public and can be viewed on the Office of the Governor website gov.louisiana.gov/index.cfm/newsroom/category/10.

Pursuant to the powers vested in me by the provisions of LSA RS 6:121(A) to carry out the duties of this Office, and, as a result of the serious and continuing concerns relating to COVID-19, which may threaten the lives and property of the residents and businesses in the State of Louisiana, I hereby deem these conditions to create a state of emergency relative to state-chartered financial institutions in general, and their employees, and their customers, and therefore issue the following guidance:

Legal Lending Limits - Main Street Lending Program (CONTINUATION)

Louisiana state-chartered financial institutions are authorized, pursuant to LSA-RS 6:415, 6:1235, 6:822(1), and 6:656(1)(f), to make unsecured and secured loans in accordance with the legal lending limits as prescribed therein. Further, Louisiana state-chartered financial institutions, pursuant to LSA-RS 6:242(C)(1)(a), 6:1136, 6:731, and 6:644(A), have and possess such rights, powers, privileges, and immunities of federally-chartered financial institutions domiciled in this state, subject to certain conditions. As a result of the existing state of emergency, and pursuant to my authority under LSA-RS 6:121(A), I hereby grant parity to Louisiana state-chartered financial institutions (with federally-chartered financial institutions) as it relates to loans made under the Main Street Lending Program (MSLP) established by the Federal Reserve System to support lending to small and medium sized businesses that were in sound financial condition before the onset of the COVID-19 Pandemic. Specifically, the Federal Reserve Bank of Boston has established a special purpose vehicle (SPV) to purchase participations in loans originated under the program. The SPV will purchase a 95 percent nonrecourse participation of each loan originated under the program and the lenders will retain the remaining 5 percent. That portion of the loan,

subject to a binding participation agreement, to be purchased by the SPV will be excluded from the

legal lending limits of Louisiana state-chartered financial institutions as prescribed in LSA-RS 6:415, 6:1235, 6:822(1), and 6:656(1)(f).

Legal Lending Limits – Paycheck Protection Program (CONTINUATION)

Louisiana state-chartered financial institutions are authorized, pursuant to LSA-RS 6:415, 6:1235, 6:822(1), and 6:656(1)(f), to make unsecured and secured loans in accordance with the legal lending limits as prescribed therein. Further, Louisiana state-chartered financial institutions, pursuant to LSA-RS 6:242(C)(1)(a), 6:1136, 6:731, and 6:644(A), have and possess such rights, powers, privileges, and immunities of federally-chartered financial institutions domiciled in this state, subject to certain conditions. As a result of the existing state of emergency, and pursuant to my authority under LSA-RS 6:121(A), I hereby grant parity to Louisiana state-chartered financial institutions (with federally-chartered financial institutions) as it relates to loans made under the Small Business Administration's (SBA's) Paycheck Protection Program (PPP). Specifically, loans made under the PPP, which are fully-guaranteed by the SBA, will be excluded from the legal lending limits of Louisiana state-chartered financial institutions as prescribed in LSA-RS 6:415, 6:1235, 6:822(1), and 6:656(1)(f).

Temporary Branch Office Closures, Relocations, and Reduced Operations (CONTINUATION)

As a result of the existing state of emergency, I hereby grant state-chartered financial institutions authority to temporarily close an existing branch office(s), establish a temporary location(s), and reduce operations, products, and services provided by state-chartered financial institutions pursuant to my authority under LSA-RS 6:121(A).

Temporary Branch Office Closures

All OFI requirements relating to the temporary closure of a branch office are hereby expressly waived for state-chartered financial institutions whose operations have been interrupted by COVID-19. The state-chartered financial institution should post a notice for public view at the physical location in the event that a temporary branch office closure is necessary. The state-chartered financial institution shall provide the following information to OFI in writing via email to ofila@ofi.la.gov as soon as practicable, and in no case more than 5 calendar days after a decision is made to temporarily close a branch office:

1. Name and physical address of the closed branch
2. Name and contact information of a representative of the state-chartered financial institution that is knowledgeable of the closing
3. Such other information as the Commissioner may request

Temporary Branch Office Relocations

The following waiver applies only to the temporary relocation of a branch office by a state-chartered financial institution as a result of COVID-19:

In lieu of any other OFI requirements, all of which are hereby expressly waived for the duration of this emergency declaration, including any further declarations, with respect to temporarily relocating a branch office, state-chartered financial institutions shall provide the following information to the OFI in writing via email to ofila@ofi.la.gov as soon as practicable before, and in no case more than 3 calendar days after the temporary relocation:

1. Name and physical address of the closed branch,
2. Name, physical address, telephone number, and other contact information of the relocated or new temporary branch,
3. Name, telephone number, and other contact information of any other depository institution operating at the same location, if any,
4. Name and contact information of a representative of the state-chartered financial institution that is knowledgeable of the relocated or temporary branch office, and
5. Such other information as the Commissioner may require.

After receipt of such information, a temporary certificate of authority to operate the temporary branch office will be issued. It is understood that the opening of a temporary branch office will only take place in order to replace the closing of an existing branch office, on a one-to-one basis. The addition of any new branch office is subject to normal OFI requirements for opening a branch office for state-chartered financial institutions.

The authority to refuse to issue, or to revoke a temporary Certificate of Authority to open any branch office, and the authority to require full compliance with applicable branching laws and regulations is expressly reserved by the Commissioner.

Reduced Operations

A state-chartered financial institution may choose to limit hours, to reduce functions, or even to close certain days of the week, as a result of COVID-19. These are consistent with the Certificate of Authority granted to a state-chartered financial institution for its branch/main office. You should post any such changes in operations for public view at any affected location.

Annual Meetings of Financial Institutions (CONTINUATION)

State-chartered financial institutions are required, pursuant to LSA-RS 6:272, 6:641, 6:709, or 6:1182 of the Louisiana Banking Law (LBL), to hold annual meetings of their members or shareholders, and in some cases, at a physical location -- and to allow members or shareholders to attend and participate in person. In some cases, if no annual stockholders' meeting is held for a period of eighteen months, stockholders may call for such a meeting to be held at the main office of the financial institution.

As a result of the existing state of emergency, I hereby issue this emergency declaration that if a state-chartered financial institution, operating in any parish in the State of Louisiana, is unable to comply with the statutory mandates of the LBL, including but not limited to Sections 6:272, 6:641 6:709, 6:1182, regarding annual meetings, it may (i) permit its shareholders or members to participate by means of remote communication in the manner and to the extent consistent with the procedures contained in LSA-RS 12:1-709, or (ii) hold the annual meeting without a physical location, provided that its shareholders or members are permitted to participate by means of remote communication in the manner and to the extent consistent with the procedures contained in LSA-RS 12:1-709. This emergency declaration does not relieve a state-chartered financial institution of its obligation to comply with all other applicable requirements of the LBL with respect to annual meetings. Communication by remote participation shall be limited as set forth in RS 12:1-709.

This exception will apply to any annual meeting that (i) has a record date that falls during the effectiveness of this emergency declaration, (ii) requires notice to be provided in connection therewith during the effectiveness of this emergency declaration, (iii) is scheduled to occur during the effectiveness of this emergency declaration, or (iv) is scheduled to occur within 30 days of the

expiration of this emergency declaration.

Effective Term of Declaration

Effective immediately, this Order will remain in effect as long as there is a public health emergency relating to COVID-19, as declared by Governor Edwards of the State of Louisiana, or until rescinded or replaced.

Declared and issued this 24th day of July 2020.

A handwritten signature in black ink that reads "John Ducrest". The signature is written in a cursive style with a long horizontal stroke at the end.

John Ducrest, CPA Commissioner
Office of Financial Institutions