Banking and Finance Law Daily Wrap Up, COMMUNITY DEVELOPMENT—Waters asks agencies to assist with financial strain due to shutdown, (Oct. 8, 2025)

Banking and Finance Law Daily Wrap Up

Click to open document in a browser

By Colleen M. Svelnis, J.D.

Representative Waters expresses her concerns about the growing financial strain the shutdown, which began on October 1, is placing on federal workers, servicemembers, and contractors.

In a letter sent to the heads of several federal regulatory agencies, House of Representative Financial Services Committee ranking member Maxine Waters has urged the agencies to protect Americans experiencing financial strain during the government shutdown. Waters expresses her concerns about the growing financial strain the shutdown, which began on October 1, is placing on federal workers, servicemembers, and contractors. The letter was sent to Federal Reserve Chair Jerome H. Powell, Office of the Comptroller of the Currency Comptroller Jonathan V. Gould, Federal Deposit Insurance Corporation Acting Chair Travis Hill, National Credit Union Administration (NCUA) Chairman Kyle S. Hauptman and Consumer Financial Protection Bureau Acting Director Russell Vought.

Waters' encouraged the agency heads to "take every measure within your statutory authorities to serve as a resource to the individuals and families who may find themselves in great need of assistance as the ramifications of the shutdown take hold."

The lawmaker notes that hundreds of thousands of federal workers, servicemembers, and federal contractors "have been adversely impacted" and may find it difficult to meet their obligations while they are not being paid. "We surely agree that prudent workout arrangements that are consistent with safe-and-sound lending practices are generally in the best interests of the financial institution, the borrower and the economy. The individuals and families who, through no fault of their own, face financial challenges that strain their ability to meet existing credit obligations depend on flexibility and continued access to affordable financial services and products from the financial institutions you regulate for their basic daily needs."

Previous shutdown guidance. In the letter the legislator urges the heads of the federal financial regulatory agencies to issue immediate, coordinated guidance, similar to actions taken by regulators during previous shutdowns, to ensure that affected families, individuals, and small businesses are protected from lasting financial harm, including the impact this shutdown may have on the creditworthiness of those impacted. During the last shutdown in January 2019, Waters wrote a similar letter requesting that agencies take immediate action, including encouraging the institutions they regulate to consider prudent efforts to modify terms on existing loans or extend new credit to help affected borrowers (see *Banking and Finance Law Daily*, Jan. 22, 2019). The agencies responded the next day with guidance to the benefit of the American public. Waters requests in her new letter that the agency reaffirm this joint guidance.

Waters asked the agencies to "promptly and jointly" reaffirm guidance issued during past shutdowns to encourage regulated entities to work with affected individuals and businesses, consistent with safe and sound lending practices, to minimize any adverse financial impact from the shutdown.

LegislativeActivity: BankSecrecyAct CommunityDevelopment ConsumerCredit DirectorsOfficersEmployers FairCreditReporting FinancialStability Loans Mortgages OversightInvestigations

© 2025 CCH Incorporated and its affiliates and licensors. All rights reserved.