

UPDATE - New York State DFS: COVID-19 Forbearance Order Applies Only to NYS Real Estate Consumer Mortgages

MARCH 25, 2020

On March 24, 2020, the New York State (“NYS”) Department of Financial Services (“DFS”) issued an emergency regulation (the “DFS Regulation”) that implements the directives of NYS Executive Order 202.9 (“NYS Order”).

As discussed in our previous [Alert](#), the NYS Order mandated that certain New York-regulated financial institutions grant loan forbearances to borrowers affected by the COVID-19 pandemic, but did not clarify which transactions and institutions were affected by the NYS Order.

The DFS Regulation resolves a number of ambiguities, and, importantly, clarifies that the required forbearance measures do not apply to (i) New York-licensed branches or agencies of foreign banks, and (ii) transactions other than residential mortgages of properties located in NYS.

We will continue to monitor developments and post them to you accordingly. We encourage you to reach out to your Winston & Strawn LLP contacts to discuss the potential impacts of the NYS Order on your institutions and transactions.

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