



April 2, 2020

Bret Afdahl
Director
Division of Banking
South Dakota Department of Labor and Regulation
1601 N. Harrison Avenue, Suite 1
Pierre, SD 57501

Re: COVID-19 Information Request

Dear Director Afdahl:

I write on behalf of American Financial Services Association (AFSA) regarding the recent requests from the South Dakota Division of Banking (Division) to licensees to analyze the impact and risk of COVID-19. We appreciate the Division's efforts to ensure that licensees are taking steps to accommodate employees and customers during the outbreak and believe clear guidance from the state is important throughout the ongoing situation.

AFSA members are committed to ensuring the safety of employees and customers, mitigating risks to operations, and working with customers to provide relief to those most affected by the COVID-19 outbreak. However, we believe the Division's response deadline, allowing as little as 48 hours, is far too short for licensees to properly comply. With information about the coronavirus outbreak changing on a daily, and often hourly, basis, financial institutions must constantly reassess their preparedness plans, even as they formulate and finalize new plans for customer relief.

At a time when companies are focusing available resources on customer response and relief efforts, such a short period does not allow them adequate time to appropriately respond and may limit the usefulness of the information reported. More importantly, it will divert limited resources away from relief efforts, as many of the employees responsible for responding are prioritizing the coordination and implementation of their respective institution's business continuity and disaster relief plans. With that in mind, we respectfully request an extended deadline of at least 30 days, rather than the April 3 deadline previously provided to licensees. We believe this approach will allow financial institutions to focus resources directly on ensuring the safety of employees and providing relief to customers most affected by the virus.

AFSA's 350+ member companies provide consumers with many types of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, and payment cards. AFSA members are both non-banks and banks, ranging in size from one-state operations to operations in every state. They serve the entire credit spectrum, from non-prime to super-prime consumers. With members spanning the consumer credit industry in every state, including many of South Dakota's consumer finance licensees, AFSA is uniquely positioned to serve as a resource for state financial services regulators seeking information about how financial

institutions are preparing and responding to the coronavirus.

AFSA has reached out to the Conference of State Bank Supervisors (CSBS) to explore the idea of creating an information repository accessible to regulators in every state through which AFSA would provide information regarding member companies' coronavirus risk planning and customer outreach. This information would provide state regulators with a strong understanding of how the consumer credit industry is responding to the ongoing outbreak. Allowing for information to be more easily shared is critical as the situation evolves and will ensure financial institutions and their state regulators can focus their responses.

Thank you for your attention to this matter. If you have any questions about how AFSA can be of any further assistance to you as you move forward, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle Fagre Arlowe', written in a cursive style.

Danielle Fagre Arlowe
Senior Vice President, State Government Affairs
American Financial Services Association
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Washington, DC 20006-5517