

Notice relating to the revision of certain measures concerning payment deferrals for loans granted by financial institutions and trust companies – COVID-19

Since March 19, 2020, the Autorité des marchés financiers (the “AMF”) has announced a series of measures to minimize the impact of the COVID-19 pandemic on Québec’s financial system, including specific measures for trust companies, savings companies and other deposit institutions, credit unions not members of federation, member credit unions of a federation and federations of credit unions (the “financial institutions concerned”).

On [March 31, 2020](#), the AMF announced that the financial institutions concerned that had granted clients payment deferrals on their loans could, for up to a maximum of 6 months, treat such loans as performing loans for regulatory purposes if the institution deemed that such loans, which were not in default at the time the deferral took effect, would have been performing loans (“special treatment”). The AMF also indicated that it would review this treatment if necessary.

In light of how the situation has evolved in recent months, the AMF is announcing today that the measures relating to payment deferrals for loans granted by the financial institutions concerned are being revised.

Revised special treatment for loans benefitting from a deferral

This notice is to announce that the AMF is revising this special treatment as follows:

- Loans granted payment deferrals before the publication of this notice will continue to be treated as performing loans under the and the Base Capital Adequacy Guideline applicable to financial services cooperatives (the “COOP GL”) and the Capital Adequacy Guideline applicable to credit unions not member of a federation, trust companies and savings companies (the “TCSC GL”) for the duration of the deferral, up to a maximum of 6 months from the effective date of the deferral.
- Loans granted new payment deferrals¹ between the publication of this notice and September 30, inclusive, will be treated as performing loans under the COOP GL and the TCSC GL for a maximum of 3 months from the effective date of the deferral.
- Loans granted payment deferrals after September 30, 2020 will not be eligible for the special treatment.

The AMF continues to monitor the COVID-19 situation and its impacts on the financial institutions concerned regularly and may adjust its guidance in respect of these measures if necessary.

If you have any questions, please contact:

¹ “New” loan deferral means a payment deferral granted for the first time in respect of the loan, not the borrower.

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