



# GENERAL BULLETIN

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2019 - 6

January 16, 2019

**SENT TO:**

CEO, CEO+, CLO

TO THE CHIEF EXECUTIVE OFFICER  
OR INDIVIDUAL ADDRESSED

RE: State Loan Program for Federal Workers

As you have likely seen, the Governor has proposed a loan guarantee program for Federal workers to help them through financial difficulties caused by the government shutdown. While the program is expected to be voluntary, the Governor is hopeful for a statewide participation.

We received news of this late yesterday afternoon, and have been working since then with the Governor's office, Webster Bank and other stake holders to piece together a seamless program that all banks would be able to offer to their federal worker customers.

Knowing that many of you already have plans for some type of federal worker lending program, we are asking that the program be flexible enough so you can use your own program. However, as with any loan guarantee program there will have to be certain standardized criteria that will need to be incorporated.

Here's some basic info thus far - please be aware that it is subject to change:

- It is undecided at this point as to which state agency will be responsible for the program, but our guess at this point is the DOB or CHFA.
- The state guarantee is predicated on a zero percent interest rate and the term will likely be six months. We suggested a 100% guarantee in the event of default.
- Maximum loan amount (it's leaning towards \$5000), and how it gets determined is being discussed
- Only federal workers that are mandated to work with no pay (e.g. TSA/Coast Guard/other non-essential employees) would be eligible. Verification procedures on this are being worked on.

Estimated roll out will likely be the end of the week. However, legislative action will need to be taken to enact the guarantee program. The Governor's office is in touch with leadership and they will need to do an emergency certification in both chambers.

We've got another meeting on the program this afternoon and will keep you all apprised of any developments.

Please don't hesitate to contact me if you have any questions or comments.

Sincerely,

THOMAS S. MONGELLOW  
Executive Vice President & Treasurer