



**Department of Business Regulation**  
**Banking Division**  
**1511 Pontiac Avenue, Bldg. 69-2**  
**Cranston, Rhode Island 02920**

## **Banking Bulletin Number 2023-1**

During the COVID-19 pandemic, a series of Executive Orders declaring a state of emergency in Rhode Island due to the COVID-19 virus were issued. The emergency created widespread interruptions in the economy and loss of income for many Rhode Island residents and businesses. In response to this emergency, the Rhode Island Banking Division issued Banking Bulletin Number 2020-5, which – among other things - clarified the definition of “after the default date” contained in the Rhode Island foreclosure mediation conference statute ([R.I. Gen. Laws § 34-27- 3.2\(d\)\(1\)](#)). Pursuant to Banking Bulletin Number 2020-5, the term “after the default date” was clarified mean within 120 days of “the date on which a forbearance agreement terminates”.

The Rhode Island Banking Division wishes to continue the policy of strongly encouraging mortgagees to enter into forbearance options in any commercially reasonable situation. This new bulletin is issued under the authority of [R.I. Gen. Laws ch. 34-27](#) making this clarification permanent.

[R.I. Gen. Laws § 34-27-3.2\(d\)\(1\)](#) provides:

If the mortgagee fails to mail the notice required by this subsection to the mortgagor within one hundred twenty (120) days after the date of default, it shall pay a penalty at the rate of one thousand (\$1,000) per month for each month or part thereof....until the mortgagee sends the mortgagor written notice as required by this section.

The phrase “after the date of default” in the above referenced section is interpreted to mean within one hundred twenty (120) days of the date on which a forbearance agreement terminates, if applicable. This means that mortgagees will be able to afford relief to mortgagors who have requested assistance/forbearance without being in violation of R.I. Gen. Laws § 34-27-3.2(d)(1). This interpretation applies to (1) all mortgages that are not in default at the time of the forbearance agreement was reached and (2) all mortgages in which the forbearance agreement was reached on or before the one hundred twentieth (120th) day following the date of default under the mortgage.

No penalty will accrue to a mortgagee if the notice required by this section is mailed to the mortgagor within one hundred twenty (120) days of the date on which a forbearance agreement terminates, as applicable. The mortgagee shall provide the mediation coordinator with an Affidavit of Forbearance (attached to this bulletin). The mediation coordinator may request documentation to evidence the terms of the forbearance agreement with respect to the covered mortgage loan. The Division of Banking will not arbitrate disputes between a mortgagee and the mediation coordinator.

If you have any questions regarding this bulletin or any other matters, please send an email to [dbr.bankinquiry@dbr.ri.gov](mailto:dbr.bankinquiry@dbr.ri.gov).

Elizabeth Kelleher Dwyer  
Superintendent of Banking

**AFFIDAVIT  
PURSUANT TO BANKING BULLETIN 2023-01**

I,  
state under oath that:

\_\_\_\_\_, of \_\_\_\_\_, hereby affirm

1. I have personal knowledge of the matters referred to herein.
  
2. \_\_\_\_\_ is the Mortgagee, as defined in R.I. Gen. Laws §34-27-3.2(c)(8), for the mortgage recorded in the Land Evidence Records for the City/Town of \_\_\_\_\_ in Book \_\_\_\_\_, Page \_\_\_\_\_, and covering property located at \_\_\_\_\_ (the "Mortgage").
  
3. \_\_\_\_\_ is the Mortgagor, as defined in R.I. Gen. Laws §34-27-3.2.
  
4. The Mortgagee hereby states as follows:

The Mortgage was subject to a forbearance agreement from \_\_\_\_\_ to \_\_\_\_\_.

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Notary Public  
Printed Name: - - - - -  
My Commission Expires: \_ \_ \_ \_ \_