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VIA ELECTRONIC MAIL ONLY

Monday, March 16, 2020

President Donald J. Trump
The White House
Washington, DC

Dear Mr. President:

We have little doubt that the U.S. Treasury, the FDIC, the Federal Reserve, the Office of the Comptroller of the Currency and state and local regulatory agencies recognize the economic consequences of this crisis. In the FDIC's "Statement on Financial Institutions Working with Customers Affected by the Coronavirus and Regulatory and Supervisory Assistance," ***the FDIC "encourages financial institutions to work with affected customers and communities [and] recognizes that such efforts serve the long-term interests of communities and the financial system when conducted with appropriate management oversight and are consistent with safe and sound banking practices and applicable laws, including….[o]ffering payment accommodations, such as allowing borrowers to defer or skip some payments or extending the payment due date, which would avoid delinquencies and negative credit bureau reporting; and [w]orking with consumers who are temporarily unable to work due to temporary business closures, slowdowns, or sickness.***"

However, our concern is that **the federal banking regulators are asking that we do this on a loan-by-loan basis** based upon "Safety & Soundness" standards, which require that the "facts and circumstances of each borrower and loan" are analyzed, and that we determine in every instance "whether these modifications would represent troubled debt restructurings ("**TDRs**") because a borrower is experiencing financial difficulties."

Most community banks are not equipped to take on this herculean task for all of their clients who are experiencing hardship as a result of this crisis. That would require an estimate of the potential financial impact of the Coronavirus on business operations and revenues for each business client. At this point, it is not certain whether the shutdown will last for days or weeks or months. Completing a thorough analysis – on a loan-by-loan basis – takes an inordinate amount of time and requires significant Bank resources and personnel – time our customers may not have and resources our Bank, and other banks, certainly will not have as we too are limiting our workforce to essential employees as part of this national effort.

There is no consensus among economists nor from our own national government regarding the specific timeframe of economic and financial impacts of the Coronavirus. The most recent pronouncement indicates that this may persist for five (5) more months. The only certain consensus is that efforts to stem the spread of the Coronavirus have ground commerce to a complete halt. This is already having a universal impact across all communities. All business sectors are impacted. In our community, restaurants are closed, hotels are closed or closing, landlords are not being paid, and virtually every business owner is concerned about the viability of his business, while furloughing almost every hourly employee.

Therefore, we don't think it is prudent to require Borrowers to continue to make payments of principal and interest under the original loan terms and wait for them to experience financial difficulties to offer credit accommodations. We think it is more prudent and consistent with long-term safety and soundness banking practices to join in this effort to stem the spread of Coronavirus by offering all borrowers financial accommodations upfront so that they can refocus on ensuring their employees are adequately taken care of during this crisis.

Requested Emergency Action

We are asking you to direct the Federal and State Banking Regulators to join in the effort to fight the spread of the Coronavirus by addressing the financial impact on small business customers so that they can focus on helping their employees make it through this national crisis – together.

We ask that our Regulators give **all** banks the reasonable discretion to make adjustments to **all** loans in their portfolios, regardless of industry classification to permit interest-only payments on the loans through the end of 2020. This single action, if authorized by the Regulatory authorities, will immediately act to ease cash flow pressures on all customers, regardless of whether a customer can definitively prove a Coronavirus-related hardship.

We believe this proactive approach is within the spirit of the FDIC's Statement, referenced above, as it will allow our all our customers "to continue paying employees and suppliers, improve their capacity to meet financial obligations, including servicing debt, and facilitate the financial institution's ability to collect on its loans."

Knowing that the impact of the Coronavirus and national efforts to stem its spread will have far reaching efforts and impact every sector of the economy at different intervals of the economic cycle, waiting for definitive proof of financial hardship runs counter to the proactive and flexible mandate of the FDIC's statement, and the stated mandate of your Administration.

Insofar as making this modification without doing any specific analysis or determination of likelihood of repayment or on any particular financial difficulty experienced by our business clients, might otherwise possibly result in every loan in a bank's portfolio being classified as a TDR or a non-performing asset ("NPA") designation, your emergency direction is needed. Without a specific stipulation that loans will not be automatically classified as non-performing, no bank will rationally take that step.

The Federal Reserve's lowering of the Fed Funds rate and reinstatement of Quantitative Easing helps Wall Street. Now it is critical that immediate action be taken to help the businesses on Main Street USA.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Robert M. Franko

Robert M. Franko
President and CEO

cc: Boards of Directors of First Choice Bancorp and First Choice Bank
Khoi D. Dang, General Counsel
Nicole D. Swain, Chief Banking Officer
Senior Management of First Choice Bancorp and First Choice Bank