



## Press Release

### **Remarks by Governor John Rolle on the Presentation of Donations for Hurricane Relief in The Bahamas and the Republic of Haiti**

(As prepared for delivery)

On Behalf of the Board of Directors of the Central Bank of The Bahamas, I am pleased to announce that Bank is making a total donation of \$200,000 to hurricane relief efforts in The Bahamas and Haiti.

Today we made a payment of \$150,000 to The Bahamas Disaster Relief Fund. The Bank felt that it was important to make this contribution, given the magnitude of the recovery effort ahead of The Bahamas. The Bank also felt that it was important through this contribution, to set the right tone for other financial sector stakeholders, who are encouraged to be generous in their support of the recovery efforts in both countries.

The contribution to the Bahamian relief efforts is in addition to what would be the ordinary response of the Central Bank from a policy perspective. As announced on October 11, the Central Bank agreed to relax the guidelines on commercial banks' lending for hurricane relief facilities. Loans so obtained do not require borrowers to make the minimum down payment of 15 percent that applies for other personal loans. Commercial banks, in the context of this relaxation, can also accommodate higher debt service burdens on loans for hurricane facilities of up to 55 percent of monthly earnings, as compared to the 45 percent limit that would ordinarily constrain borrowers.

Taken together with other accommodations that commercial banks are providing, such as extending the repayment terms on existing loans, persons would qualify for larger loan amounts than the norm to help them get back on their feet.

The Central Bank is also aware that credit unions are showing significant flexibility in helping customers restructure their financial affairs.

There are always concerns in instances of natural disasters of about how the Bahamian economy would cope with the adequacy of its foreign reserves. In the present circumstances, the reserves are not under pressure. Our concerns are relieved for several reasons; the first is that the disruptions to the tourism plant which were less concentrated in New Providence and which spared Abaco, are being contained to the low point of the tourist season. The second is that insured private properties in the country will benefit from reinsurance inflows to help finance the imports of building materials needed for repairs. Third, the economy is receiving some net foreign currency inflows from the Baha Mar claims settlement process.

The Central Bank is participating in the more comprehensive economic impact assessment being done by the Ministry of Finance. Ahead of this, the Bank will provide a more detailed interim assessment in its upcoming Monthly Economic and Financial Developments Report.

The Bank also stands in solidarity with the people of Haiti. Given the significance of that country's losses, a contribution of US\$50,000 has been made to the recovery efforts in Haiti. We are pleased to note that this payment was also deposited today.

**October 20, 2016**