

New Fed Policy on Extend and Hold Bank Loans for Construction Loans – Welcome back to 2008

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A little over two months ago, the federal banking authorities (Feds) issued a new **Policy Statement**, a re-vamp and expansion of the 2008 “extend and hold” or “pretend and extend” policy that emerged from the 2008 Bank Liquidity Crisis.

The Policy Statement provides specific examples of different loan extension scenarios for construction properties and how each scenario would be classified for loan grading and accrual or non-accrual purposes.

Learn more about how the new Policy statement affects construction properties, as well as review sample loan scenarios [here](#).

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