

Bulletin FI-13-01



TO: All Tennessee State-Chartered Banks, Trust Companies and Credit Unions

SUBJECT: Emergency Preparedness Guide

DATE: January 16, 2013

All state-chartered banks, trust companies and credit unions are required by TDFI Rule 0180-13-.04 to have a contingency plan in place that will minimize disruption of services to the institution and its customers, minimize financial loss and ensure timely resumption of operations in the event of a disaster. This plan should be annually reviewed, and approval noted in the minutes of the Board of Directors. In the event of an emergency, as provided in Tenn. Code Ann. § 45-2-603, banks and trust companies are authorized to take certain actions without the prior approval of the TDFI. This guide answers a few questions that may be asked in conjunction with a disaster or other emergency. It is being issued in conjunction with a continuing effort by the TDFI to engage the banking and credit union industries in a discussion about emergency preparedness, and to facilitate coordination with the Tennessee Emergency Management Agency. As always, the TDFI would appreciate any feedback that might make this guide a more valuable tool for financial institutions.

FREQUENTLY ASKED QUESTIONS

1. What should we do if we need to temporarily close an office in conjunction with a disaster or emergency?

If you find it necessary to close or relocate the main office or a branch location as a result of and/or precaution against a storm or emergency, we ask that you e-mail or fax a written notice to TDFI once it is safe to do so. Prior approval is not necessary, and your immediate concern should be the safety of your employees and any customers present. The notice to TDFI should include which office(s) you have closed or plan to close, and for how long you anticipate the closure to last. The federal regulators will likely have similar requirements for state-chartered institutions, so please check with your federal regulator, as applicable, for any requirements of that agency. Notices to TDFI should be sent to:

Bank and Trust Company Notices: email to debra.grissom@tn.gov and/or fax to (615) 532-3721.

Credit Union Notices: email to harry.p.murphy@tn.gov or Anthony Rogers at TN09@NCUA.gov and/or fax to (615) 253-3787.

Note for non-emergency bank closings: Any non-emergency bank closures lasting more than two (2) consecutive days, not including weekends and legal holidays, require the prior approval of the TDFI Commissioner.

2. What if we need to temporarily relocate the main office or a branch office?

In the event an office suffers damage, it is unnecessary to obtain prior approval from TDFI to move to a temporary location in the area. Provide notice to TDFI as soon as practical, using the contact information above. Notice should include the temporary address, contact information and expected timeframes. The institution should also post this information on its website and on signage at the closed office for customers. Please consult with your federal regulator, as applicable, for any requirements of that agency.

If an office is undamaged, but cannot be re-opened due to a lack of services such as electricity or security, consider posting signage at the closed location directing customers to other operational branches or institutions in the area. Consider also providing notice of any special services in place during an emergency (for example, a waiver of foreign ATM fees, availability of emergency loans, etc.).

3. What will TDFI do during a major state emergency?

All Tennessee state agencies, including TDFI, have contingency plans in place to continue operations during and after a major state emergency. As part of its response, TDFI may send its Emergency Services Coordinator (ESC) to the Tennessee Emergency Management Agency (TEMA) to coordinate with other state agencies and relay critical information back to TDFI.

TDFI may communicate pertinent information to institutions via text, voice, or email using the Emergency Communication System (see below). Affected institutions may be contacted directly to assess their level of damage and critical needs. In addition, TDFI will coordinate with the federal regulators and industry associations in organizing and offering assistance.

If you are contacted directly by the TDFI, the individual contacting you will identify themselves as an employee of the TDFI. Please provide them with the status of your institution, and inform them of any immediate needs. We will try to assist in any way possible.

4. What should we include in our contingency plan?

As indicated above and required by TDFI rule, banks and credit unions should have a contingency plan in place that will minimize disruption of services to the institution and its customers, minimize financial loss and ensure timely resumption of operations in the event of a disaster. Guidance on what such a plan should entail can be found in the Federal Financial Institutions Examination Council's (FFIEC) Information Technology Examination Handbook, available on the FFIEC's IT examination website (<http://ithandbook.ffiec.gov/>). In addition, the FFIEC, in conjunction with the Conference of State Bank Supervisors, has posted guidance on preparing your institution for a catastrophic event using lessons learned from Hurricane Katrina, which may be found at the following website: <http://www.fdic.gov/regulations/resources/lessons/>. There are many issues addressed on this website that an institution should consider in preparing for an emergency and in drafting its contingency plan. Finally, the National Credit Union Administration (NCUA) has posted a letter on its website regarding "Disaster Recovery and Business Resumption Contingency Plans" that contains contingency plan best practices.

5. Resources.

It is especially important to become familiar with the county emergency management director in each area your institution operates. These directors and their offices will be a tremendous asset to your institution for information on evacuations, re-entry, credentialing, and many other topics in a time of need. Contact information for local emergency personnel can be found on the TEMA website. That website, as well as websites and phone numbers for other agencies that may be relevant to your emergency issues, can be found below:

- TEMA – Tennessee Emergency Management Agency – website contains contact list for county emergency management directors, as well as a link to download the ReadyTN mobile application.
www.tnema.org ; T: (615) 741-0001
- TDFI – Tennessee Department of Financial Institutions – additional contact information for individuals below.
<http://www.tn.gov/tdfi> ; T: (615) 741-2236
- Federal Reserve Bank – in the event of a disaster, check the website for availability of cash, check services, automated clearing house, and discount window. In addition, the Fed has a website with continuity information for Federal Reserve services in the event of a business disruption, including steps to prepare for such a disruption.
www.stlouisfed.org ; T: (314) 444-8444
www.frbatlanta.org ; T: (404) 498-8500
<http://frbsecurities.org/businesscontinuity/index.html>
- FDIC – Federal Deposit Insurance Corporation

www.fdic.gov ; T: (901) 685-1603 (Memphis, TN office)

- NCUA – National Credit Union Administration
www.ncua.gov ; T: (678) 443-3000
- FEMA – Federal Emergency Management Agency
www.fema.gov
- Financial Services Sector Coordinating Council – The FSSCC works closely with the U.S. Treasury Department to maintain a strong public-private partnership to ensure that the critical financial services industry is resilient against manmade or natural disasters.
www.fsscc.org

6. What else should our institution consider in advance of an emergency?

- Government Emergency Telecommunication Service (GETS) and Wireless Priority Services (WPS) Telephone Priority Services – these services may be used to get your calls through immediately following a disaster. Please consider registering for these services that are available to all financial institutions. Your entire staff is eligible!
- Government Emergency Telecommunication Service (GETS)

The Government Emergency Telecommunication Service (GETS) is a White House-directed emergency phone service provided by the National Communications System (NCS) in the Information Analysis and Infrastructure Protection Division of the Department of Homeland Security. GETS provides emergency access and priority processing in the local and long distance segments of the Public Switched Telephone Network (PSTN). It is intended to be used in an emergency or crisis situation when the PSTN is congested and the probability of completing a call over normal or other alternate telecommunication means has significantly decreased.

GETS is accessed through a universal access number using common telephone equipment such as a standard desk set, STU-III, facsimile, modem, or wireless phone. A prompt will direct the entry of your PIN and the destination telephone number. Once you are authenticated as a valid user, your call is identified and receives special treatment. There is only a minimal cost for making a GETS call. More information can be found at <http://gets.ncs.gov/index.html>.

- Wireless Priority Services (WPS)

Wireless Priority Service (WPS) is the wireless complement to the wired Government Emergency Telecommunications Service (GETS). During

times of emergencies, wireless service providers can experience congestion in their networks. Such congestion can severely curtail your ability to make calls with your cell phone. To facilitate the completion of critical calls during these high usage events, WPS enables you to access the next available wireless channel before non-subscribers. It is a priority access queuing system available on most major wireless networks. More information regarding the WPS program can be found at <http://wps.ncs.gov>.

- Emergency Communication System (ECS)

The TDFI has partnered with the Federal Reserve Bank of St. Louis in launching the Emergency Communications System (ECS) in Tennessee, which is available to all state-chartered banks, trust companies and credit unions.

The ECS allows the TDFI to quickly establish a two-way communication channel, provide key updates, ascertain the operational status of an institution, and provide ongoing updates during an emergency/disaster situation. The TDFI can authorize the ECS Support Center to send messages to institutions using voice, text or email. The ECS can poll institutions, track responses from institutions, and provide regulators with an update on the status of institutions during a crisis.

The ECS is tested by the TDFI and Federal Reserve twice a year. The TDFI urges all state-chartered banks, trust companies and credit unions to register for this valuable service if they have not already.

7. Questions regarding this Bulletin should be addressed to the Department's Emergency Services Coordinator, Derek Church, at (615) 741-5961, derek.church@tn.gov.

**Greg Gonzales
Commissioner**

APPENDIX – TDFI CONTACT INFORMATION

Name	Title	Office No.	Cell No.	Email Address
<u>Bank Division</u>				
Tod Trulove	Assistant Commissioner	615-741-5604	615-289-2156	tod.trulove@tn.gov
Tony Matthews	Chief Administrator	615-532-8283	615-945-5952	anthony.matthews@tn.gov
Debra Grissom	Applications Manager	615-741-5018	615-948-3860	debra.grissom@tn.gov
Todd Rice	Manager (middle TN)	615-848-5187	615-944-6342	todd.rice@tn.gov
Danny Nolen	Manager (west TN)	731-423-5631	731-217-5535	danny.nolen@tn.gov
Louella McElroy	Manager (east TN)	865-594-6211	865-201-5311	louella.mcelroy@tn.gov
<u>Credit Union Division</u>				
Pat Murphy	Assistant Commissioner	615-741-6399	615-305-9233	harry.p.murphy@tn.gov
Anthony Rogers	Division Manager	615-532-1037	931-980-6427	TN09@NCUA.gov
Ali Owen	Analyst	615-532-4809	931-209-4769	TN08@NCUA.gov
Brian Williams	Manager	865-680-3031		TN02@NCUA.gov
Steve Eddings	Regional Supervisor	615-319-4191		TN03@NCUA.gov
Randall Means	Regional Supervisor	901-753-9722		TN07@NCUA.gov
Shane Hardin	Regional Supervisor	423-213-2988		TN13@NCUA.gov