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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
OFFICE OF CREDIT UNIONS

ANITA G. FOX
DIRECTOR

DATE: March 10, 2020

LETTER NO: 2020-CU-04

TO: Credit Union CEOs and Board Chairpersons

SUBJECT: Disaster Recovery and Continuity of Operations Preparedness

World events have again generated a renewed need for prudent review of credit union preparedness. Current and comprehensive Disaster Recovery and Continuity of Operations Plans/Procedures remain essential. Please ensure your credit union's Plans and Procedures are reviewed and updated as needed to ensure preparedness for extraordinary circumstances (including those resulting from localized health issues). Proactively addressing any potential concern early will help you prepare for such, hopefully reduce the impact it may have on you and your institution, and help your staff and members remain calm and confident as well.

Particularly in light of the emerging concerns nationwide, some of the aspects which you should be considering and preparing for appropriately include (but are not limited to):

- Supply staff with protective equipment and training (e.g. masks, gloves, cleaning supplies, training on safety and hygiene, etc.)
- Review your personnel policies and practices, particularly relating to PTO usage and/or remote work possibility (with consideration to ensuring secure data and communication)
- Identify critical operations and establishing a plan (with contingency plans) to ensure critical systems continue to operate, required reporting occurs, and service to members is uninterrupted
- Ensure strong cross-training occurs, to minimize disruption if temporary or sustained absenteeism occurs
- Establish contingency plans, including communication strategies and alternative financial service delivery channels, in the event one or more branches need to close temporarily (also refer to Section 221 of the Michigan Credit Union Act's requirement to report closures)
- Ensure your automated information systems are capable of and prepared in the event of higher transaction volumes (credit, debit, home banking, remote applications, email correspondences etc.)
- Identify any third-party services which might become impaired in an emergency and develop contingency plans
- Ensure your credit union is prepared from a liquidity and cash standpoint, in the event of elevated withdrawal levels
- Establish a process for communicating your preparedness with your staff, volunteers, members, vendors, regulators to assuage concerns

Your plans should be commensurate with the degree of complexity of your operations, considering each product/service your institution offers and all critical functions and reporting requirements. Guidance has previously been issued during times of emergency, some included suggestions and tips from “lessons learned” during extraordinary conditions. For your additional use and reference, some of those are included below.

1. [NCUA Letter 10-CU-10](#): Disaster, Emergency, and Pandemic Planning and Preparedness (with enclosed Resources for Preparedness)
2. [NCUA Letter 09-CU-13](#): Hurricane Preparedness and Pandemic Planning
3. [FFIEC’s Hand-CU-book](#): Business Continuity Planning (IT)
4. [NCUA Letter 08-CU-01](#): Business Continuity / Guidance on Pandemic Planning
5. FFIEC Guidance: FFIEC Statement on Pandemic Planning (03/06/20) (Related press release) (links are no longer accessible)
6. [NCUA Letter 06-CU-12](#): Disaster Preparedness and Response / Aires questionnaire
7. [NCUA Risk Alert 06-Risk-01](#): Disaster Planning and Response
8. [NCUA Letter 06-CU-06](#): Influenza Pandemic Preparedness
9. [OCU Letter 2005-CU-10](#): Contingency Planning
10. [NCUA Letter 01-CU-21](#): Disaster Recovery and Business Resumption Contingency Plans (with Appendix – Best Practices)

Other Key Resources (specific to coronavirus/Pandemic Planning):

1. [Centers for Disease Control and Prevention \(CDC\)](#): www.cdc.gov/coronavirus/
2. [World Health Organization](#): www.who.int/
3. [State of Michigan](#): www.michigan.gov/coronavirus/
4. [Department of Homeland Security](#): <https://www.dhs.gov/keywords/coronavirus-covid-19>

If you have any questions, please feel free to contact this office or your examiner’s regional supervisor.

Sincerely,

A handwritten signature in blue ink, appearing to read "Denise Schultheiss", with a stylized flourish at the end.

Denise Schultheiss
Director, Office of Credit Unions
Deputy Director, DIFS