



State of Maryland
Maryland Department of Labor
OFFICE OF THE COMMISSIONER OF FINANCIAL REGULATION

**Emergency and Disaster Preparation Information for
Maryland State-Chartered Banks, Credit Unions, and Trust Companies**

All Maryland state-chartered banks, credit unions, and trust companies must have a comprehensive disaster recovery plan in place that documents how they will respond to various wide-area disasters or emergencies such as major storms, widespread infectious disease outbreaks, regional communication disruptions, terrorist attacks, etc. The purpose of the plan is to minimize, as much as possible, disruptions of business operations. The plan should be developed with the input of employees from all areas of the institution, and a written document should be communicated and shared with all employees. Your institution's disaster recovery plan, which is regularly reviewed by regulators during safety and soundness examinations, should be tested regularly and updated as needed.

As part of your emergency preparation program, it may be beneficial to encourage those customers who do not already utilize your institution's online banking, direct deposit, or automatic bill payment services, to do so. Remind customers that these services are not disrupted when a branch or office is closed due to emergency conditions. Customers who already have these automatic services in place experience much less difficulty in maintaining and accessing their accounts during disruptions caused by major storms or other disasters.

Below are some common questions we have received in connection with various storms and emergencies that have impacted our state or region.

FREQUENTLY ASKED QUESTIONS

1. Prior to a major storm, if we decide to close a branch or office early, do we need to notify the Commissioner?

If you find it necessary to close a branch or office early in preparation for an impending storm, you should post notices in the branch for your customers. You should also notify the Office of the Commissioner of Financial Regulation ("OCFR") by sending an email to both Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov **and** Assistant Commissioner Michelle Denoncourt at michelle.denoncourt@maryland.gov. In your email, please include the location of affected branch or office and the early closing time.

2. What is the preferred method of communication with the OCFR?

The preferred method of communication is by emailing Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov **and** Assistant Commissioner Michelle Denoncourt at michelle.denoncourt@maryland.gov. Please be sure to include your institution's name and primary address on all emails sent to the OCFR.

3. If we must close our entire institution, who are we required to notify?

If it is necessary to completely close your institution due to an emergency, Maryland law requires that you notify the Governor's Office within 24 hours of closing.* Completing the online Financial Institutions Portal at <https://governor.maryland.gov/financialinstitutionsportal/> document satisfies this requirement. Ensure phone contacts are cell phone numbers where decision makers can be reached during the emergency. Please also email Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov **and** Assistant Commissioner Michelle Denoncourt at michelle.denoncourt@maryland.gov with

notification of the closure.

If you are unable to access the Governor's Financial Institutions portal, please call the Governor's Office at 410-974-3901, and call at least one of the following individuals.

	<u>Phone No.</u>	<u>Email Address</u>
Antonio P. Salazar, Commissioner	410-230-6361	tony.salazar@maryland.gov
Teresa M. Louro, Deputy Commissioner	410-230-6022 410-446-1990	teresa.louro@maryland.gov
Michelle Denoncourt, Assistant Comm.	410-230-6104 443-758-6344	michelle.denoncourt@maryland.gov

**The requirement to notify the Governor's Office only applies if you close your entire institution. If you have one or more branches still operating, you only need to notify the OCFR.*

4. If our officers must evacuate the area for their safety, should we notify the OCFR?

If the officers of any Maryland state-chartered institution must evacuate a large regional area, please notify the OCFR by emailing Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov **and** Michelle Denoncourt at michelle.denoncourt@maryland.gov. The following information will be needed from you:

- ▶ Description of the situation
- ▶ Location of the branch(es) and office(s) affected by the evacuation order
- ▶ Whether you have branches that will continue to operate and their location
- ▶ Steps taken by the institution to notify customers about the closing(s)
- ▶ Estimated time when the affected branch(es) or office(s) will reopen
- ▶ Direct contact information for your CEO and at least one other executive officer

5. What if our main office or one of our branches suffers significant damage or loss of essential services as a result of a storm or other disaster?

If your financial institution suffers total loss of its main office following a storm or disaster, it is unnecessary to seek prior approval from the OCFR to establish a temporary location to replace the damaged facility. However, an after-the-fact notice must be provided to OCFR within 24 hours of the establishment of a temporary or back-up facility. The after-the-fact notice can be emailed to Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov **and** Michelle Denoncourt at michelle.denoncourt@maryland.gov. Your alternate site must have sufficient security measures in place to conduct financial transactions.

If you need to close a branch for a limited time in order to complete repairs, or if some of your facilities are undamaged but cannot open because they lack essential services such as electricity, telephone, or security, you should also notify the OCFR by emailing Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov **and** Michelle Denoncourt at michelle.denoncourt@maryland.gov with the following information:

- ▶ Description of the situation
- ▶ Location of the affected office or branch
- ▶ Steps taken to notify customers about the closing
- ▶ Estimated time when the office or branch will reopen
- ▶ Direct contact information for your CEO and at least one other executive officer

If you are unable to access email, please use the OCFR phone numbers listed above.

6. If our institution is closed because of an emergency, when are we permitted or required to reopen?

- A. Emergency Declarations Issued by the Governor -- FI § 5-707(b)(1) MD Ann. Code. If the Governor proclaims that an emergency exists in a particular area of the state and designates specific days for the general cessation of business in that area, then all of your branches or offices located within that area must remain closed for the designated days or until the declaration of emergency has been lifted by the Governor. Depending on the size of the designated area, this may result in your entire institution being closed.
- B. If the Governor *authorizes*, but does not *mandate* that your institution close, the institution's chairman of the board or president shall decide whether to close or remain open, depending on the specific conditions impacting your institution. FI § 5-707(b)(4).
- C. Closures by Bank Officials – FI § 5-707(c). If an emergency exists, but it is not practical to obtain a proclamation from the Governor before closing your institution, the chairman or president of your institution may:
1. Close the institution; and
 2. As soon possible, but no later than 24 hours after the closing, shall notify the Governor of the reason for the closing, as well as Deputy Commissioner Teresa M. Louro at teresa.louro@maryland.gov *and* Michelle Denoncourt at michelle.denoncourt@maryland.gov.

The institution may remain closed until the earlier of:

1. Notice to the institution that the Governor will not issue an emergency proclamation;
2. Decision by its chairman of the board or president to reopen; or
3. By 5:00 p.m. on the third business day after the date of closing.

There are numerous sources that provide assistance and information that may be helpful to your institution as you prepare for major storms or other disasters. Some are listed below:

Weather

- National Hurricane Center – National Weather Service
<http://www.nhc.noaa.gov>
- Weather Underground's Computer Models
<http://www.wunderground.com>
- AccuWeather.com's Forecast Eye Path
<https://www.accuweather.com/en/hurricane/atlantic>

Government

- MEMA - Maryland Emergency Management Agency
www.mema.maryland.gov
- Local Maryland Emergency Center Contacts and Hotlines:
<http://www.mema.maryland.gov>
Click on "Local Emergency Centers" listed under "Related Information"
- FEMA – Federal Emergency Management Agency

www.fema.gov

- FFIEC – Federal Financial Institutions Examination Council
www.ffiec.gov/katrina_lessons.htm
- CDC – Center for Disease Control
www.cdc.gov

Other

- 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 natural disasters, acts of terrorism, and cyber attacks.
www.fsscc.org

Priority Communication Systems

Restoring communications after an emergency is critical. There are a number of priority systems for both voice and data communications that are coordinated by the National Communications System (NCS). NCS was established in 1963 to provide priority communications support to critical government functions during emergencies. In 1993, NCS established two priority telecommunication services that are available to private-sector entities through sponsorship by an NCS member department or agency. The Federal Reserve Board has been an NCS agency since 1984.

You may want to consider one of the following options:

- **Government Emergency Telecommunication Service (GETS)**

GETS is an emergency phone service provided by NCS through 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. Upon approval, selected critical employees of eligible organizations will be assigned a card and PIN to access the GETS emergency system.

GETS is accessed by dialing a universal access number using common telephone equipment. 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 as an NS/EP (national security/emergency preparedness) call and will receive special treatment.

While there is no subscription fee for this service, GETS calls are billed by the minute. More information regarding the GETS program can be found at <https://www.dhs.gov/cisa/government-emergency-telecommunications-service-gets>.

Emergency Communication System (ECS)

ECS is a communication channel established by the Federal Reserve Bank of St. Louis, which partners with the OCFR. This free system is available to all Maryland state-chartered institutions.

ECS is a tool used by state regulators and the Federal Reserve to communicate with financial institutions during emergency situations. This system allows the OCFR and the Federal Reserve to quickly and simultaneously establish two-way communication channels with all registered Maryland state-chartered financial institutions during a crisis so that essential information can be easily shared.

This system has been successfully used in several states in the Southeast and Midwest. We urge all Maryland state-chartered banks to register for this valuable service.