

# NCUA RISK ALERT

NATIONAL CREDIT UNION ADMINISTRATION  
1775 DUKE STREET, ALEXANDRIA, VA 22314

**DATE:** April 2006 **RISK ALERT NO.:** 06-Risk-01

**TO:** Federally Insured Credit Unions

**SUBJECT:** Disaster Planning and Response

**REF:**

- (1) Letter to Credit Unions #06-CU-06 Influenza Pandemic Preparedness
- (2) Letter to Credit Unions #01-CU-21 Disaster Recovery and Business Resumption Contingency Plans
- (3) FFIEC Release of Information Technology Examination Handbook – Business Continuity Planning

Dear Board of Directors:

The purpose of this risk alert is to emphasize to all federally insured credit unions the necessity of taking steps to prepare for the next potential disaster. Recent events have highlighted the importance for credit unions to perform ongoing reviews of their plans for disaster preparedness and response. These plans should be commensurate with a credit union's complexity of operations and focus on minimizing interruptions of service to members and maintaining member confidence in times of emergency.

Over the past year, we have accumulated many "lessons learned" in working through a major disaster. It is our intention that we build on these lessons and make long-term improvements in the area of disaster preparedness and response. The following are the principle "lessons learned":

- Implement pre-disaster actions to ensure a constant state of readiness and take steps to safeguard assets and vital records if an early warning is received.
- Communicate disaster preparedness and response efforts before, during, and after an emergency to keep members, volunteers, employees, and regulators fully aware of the situation.

- Utilize a cross-section of people to develop, test, and implement disaster preparedness and response plans.
- Ensure back-ups are available for not only data but also personnel, worksites, equipment, vendors, and other resources.
- Treat disaster preparedness and response plans as “living documents” to be updated as circumstances change.

The resources listed below contain a wealth of information to assist you in reviewing your own disaster preparedness plans. Basic templates for businesses are available at Ready.gov (U.S. Department of Homeland Security’s internet site). These templates address the fundamental elements of disaster preparedness plans and can serve as a starting point for your review.

### **Upcoming Examination Procedures**

NCUA is developing an examination questionnaire to assist examiners in reviewing the key elements of disaster preparedness and response planning. The questionnaire incorporates recent “lessons learned” as well as long-standing guidance. Examiners will consider the following elements when reviewing your efforts to *PREPARE*:

- **Planning** – Ensuring Financial Services to Members
- **Resources** – Allocation of Sufficient Equipment and Facilities
- **Evaluation** – Testing of Contingencies for All Critical Systems
- **People** – Maintaining Readiness of Staff and Officials
- **Alliances** - Established Relationships with Other Organizations
- **Review** – Updating Internal Plans for Effectiveness
- **Experience** – Incorporate Lessons Learned

Once the examination questionnaire is finalized, it will be shared with you in an upcoming letter to credit unions. The questionnaire will also be posted on NCUA’s internet site along with other examination related materials.

### **Resources**

NCUA Resources:

- Letter to Credit Unions #06-CU-06 Influenza Pandemic Preparedness  
<http://www.ncua.gov/letters/2006/CU/CU-06-06.doc>

- Letter to Credit Unions #01-CU-21 Disaster Recovery and Business Resumption Contingency Plans  
<http://www.ncua.gov/letters/2001/01-CU-21.pdf>
- Office of Small Credit Union Initiatives (OSCU) Credit Union Workshops  
<http://www.ncua.gov/CreditUnionDevelopment/Events/Index.htm>

Interagency Resources:

- FFIEC IT Handbook Booklet: Business Continuity Planning  
[http://www.ffiec.gov/ffiecinfobase/html\\_pages/bcp\\_book\\_frame.htm](http://www.ffiec.gov/ffiecinfobase/html_pages/bcp_book_frame.htm)  
Training Presentation  
[http://www.ffiec.gov/ffiecinfobase/html\\_pages/presentations\\_frameset.htm](http://www.ffiec.gov/ffiecinfobase/html_pages/presentations_frameset.htm)

Ready.Gov Resources:

- Business Emergency Planning Guidance  
<http://www.ready.gov/business/index.html>
- Sample Templates  
<http://www.ready.gov/business/downloads-checklists.html>

I appreciate your cooperation in reviewing and enhancing your disaster preparedness efforts. Jointly, we will ensure all federally insured credit unions are prepared to serve their members in the event of a disaster.

Sincerely,

/s/

JoAnn Johnson  
Chairman