

# **NCUA LETTER TO CREDIT UNIONS**

**NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314**

**DATE: June 2009** **LETTER NO.: 09-CU-13**  
**TO: Federally Insured Credit Unions**  
**SUBJ: Hurricane Preparedness and Pandemic Planning**

Dear Board of Directors:

The purpose of this letter is to inform credit union management to update their Business Continuity and Disaster Recovery Plans because of recent announcements by the National Hurricane Center (NHC) and Pandemic events related to the H1N1 virus (swine flu).

On May 21, 2009, the NHC predicted a near-normal Atlantic hurricane season for 2009. Forecasters predicted a seventy percent chance of nine to fourteen named storms, of which four to seven could become hurricanes, with one to three major hurricanes. The outlook provided by the NHC is not only a guide to the expected seasonal activity, it is also a warning it is time to take action.

NCUA urges all federally-insured credit unions, in recognition of National Hurricane Preparedness week and the seasonal outlook provided by the NHC, to perform a review of their disaster preparedness and response plans. These plans should be commensurate with the complexity of operations and focus on minimizing interruptions of service to members and maintaining member confidence in times of an emergency. Previous disasters have provided many "lessons learned" in working through a disaster. 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; and
- Treat disaster preparedness and response plans as “living documents” to be updated as circumstance change.

The recent events pertaining to the H1N1 virus (swine flu) highlight the importance of credit union disaster preparedness and response plans including provisions for a Pandemic event. While the recent flu epidemic was mild in the United States, the World Health Organization and Center for Disease Control are cautious about predictions the H1N1 virus will have on the normal flu season this fall and winter.

Pandemic planning, unlike most natural or technical disasters and malicious acts, presents unique challenges to credit unions. The impact of a pandemic is much more difficult to determine. As experience with the recent H1N1 flu, pandemics can be focused to specific regions of the world or the United States, but can spread quickly and cause health officials to close schools and other public gathering facilities or events. Experts believe the most significant challenge may be the severe staffing shortages likely to result from a pandemic outbreak.

Federally-insured credit unions need to review their disaster preparedness and response plans to ensure their pandemic plan is appropriate for their operation. The plan should include:

- A preventative program to reduce the likelihood the operations will be significantly affected by a pandemic event;
- A documented strategy which provides for scaling pandemic events including provisions for a possible second and third wave of a pandemic;
- A comprehensive listing of facilities, systems, or procedures to continue critical operations if a large number of staff are unavailable for prolonged periods;
- A testing program to ensure the pandemic planning practices and capabilities are effective;
- An evaluation of critical service provider plans for operating during a pandemic; and
- An oversight program to ensure ongoing review and updates are made to the pandemic plan.

NCUA provides the enclosed resources to assist you in reviewing your own disaster preparedness and response plans related to hurricane and pandemic preparedness.

If you have any questions or concerns, please contact your NCUA Regional Office or State Supervisory Authority.

Sincerely,

/s/

Michael E. Fryzel  
Chairman

## **Resources**

### NCUA Resources:

- Letter to Credit Unions 08-CU-01, Guidance on Pandemic Planning  
<http://ncua.gov.ncua.lan/Resources/Documents/LCU2008-01.pdf>
- Letter to Credit Unions 06-CU-12, Disaster Preparedness and Response Examination Procedures  
<http://www.ncua.gov/Resources/Documents/LCU2006-12.pdf>
- Letter to Credit Unions 06-CU-11, Interagency Guidance Lessons Learned by Institutions Affected by Hurricane Katrina  
<http://www.ncua.gov/Resources/Documents/LCU2006-11.pdf>
- Letter to Credit Unions 06-CU-06, Influenza Pandemic Preparedness  
<http://www.ncua.gov/Resources/Documents/LCU2006-06.pdf>
- Risk Alert 06-CU-01, Disaster Planning and Response  
<http://www.ncua.gov/Resources/Documents/06-Risk-01.pdf>
- Letter to Credit Unions 01-CU-21, Disaster Recovery and Business Resumption Contingency Plans  
<http://www.ncua.gov/Resources/Documents/LCU2001-21.pdf>

### Interagency Resources:

- FFIEC IT Handbook Booklet: Business Continuity Planning  
[http://ithandbook.ffiec.gov/ITBooklets/FFIEC\\_ITBooklet\\_BusinessContinuityPlanning.pdf](http://ithandbook.ffiec.gov/ITBooklets/FFIEC_ITBooklet_BusinessContinuityPlanning.pdf)

### Other Resources:

- Ready.Gov - Business Emergency Planning Guidance  
<http://www.ready.gov/document/ready-business-mentoring-guide-working-small-businesses-prepare-emergencies>
- The National Strategy for Pandemic Influenza  
<http://www.flu.gov/>.

## REFERENCES

In addition to resources included above, credit unions may find these web sites helpful in their planning activities:

- National Hurricane Center <http://www.nhc.noaa.gov/>
- Department of Health and Human Services (DHHS)  
<http://www.dhhs.gov>
- Business Pandemic Influenza Planning Checklist (DHSS)  
<http://www.flu.gov/planning-preparedness/business/businesschecklist.pdf>
- Avian Flu Website (DOD)  
<http://fhp.osd.mil/factsheetDetail.jsp?fact=3>
- Centers for Disease Control (CDC)  
<http://www.cdc.gov/flu/avian/index.htm>
- World Health Organization (WHO)  
[http://www.who.int/csr/disease/avian\\_influenza/en/](http://www.who.int/csr/disease/avian_influenza/en/)
- Department of Agriculture (USDA)  
[http://www.usda.gov/wps/portal/!ut/p/.s.7.0.A/7.0.1OB/cmd/ad/.ar/sa.retrievecontent/c/6.2.1UH/ce/7.2.5JM/p/5.2.4TQ/d/0/th/J.2.9D/s.7.0.A/7.0.1OB?PC.7.2.5JM\\_contentid=A105.xml#7.2.5JM](http://www.usda.gov/wps/portal/!ut/p/.s.7.0.A/7.0.1OB/cmd/ad/.ar/sa.retrievecontent/c/6.2.1UH/ce/7.2.5JM/p/5.2.4TQ/d/0/th/J.2.9D/s.7.0.A/7.0.1OB?PC.7.2.5JM_contentid=A105.xml#7.2.5JM)
- Department of Labor Occupational Safety and Health Administration (OSHA)  
<http://www.osha.gov/dsg/guidance/avian-flu.html>
- Department of State  
<http://travel.state.gov/>