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ALABAMA CREDIT UNION ADMINISTRATION


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H. GREG McCLELLAN
ADMINISTRATOR

MEMORANDUM

TO: Boards of Directors & CEO's of All State-Chartered Credit Unions

FROM: H. Greg McClellan, Administrator, Alabama Credit Union Administration 

SUBJECT: Guidance for Credit Unions on Pandemic Planning and Expectations

DATE: March 13, 2020

The Alabama Credit Union Administration (Agency) is closely monitoring the developments regarding the Coronavirus (COVID-19) and any announcements from the Center for Disease Control (CDC) and the Alabama Department of Public Health (ADPH). The Agency realizes that there are a lot of questions regarding the virus, what credit unions should be doing, and what they can expect from the Agency. This Memorandum is to provide guidance as to what the Agency expects from state-chartered credit unions and what credit unions can expect from the Agency.

What the ACUA Expects from Credit Unions

- 1) The Agency strongly reminds and encourages all credit union that business continuity planning, including pandemic planning, should be reviewed, updated, and implemented as necessary as conditions change. This should include consultation with primary correspondent and technology partners (core data processing systems) to ensure that they are also prepared and that your plans are appropriately coordinated. In particular, be prepared for disruptions to key personnel availability in your essential funding and payments functions.
- 2) Credit unions are encouraged to stay informed and updated with reliable information about COVID-19, including pandemic planning, current conditions, and guidance to financial institutions from regulatory agencies. Such information can be found at the links below:

Federal Resources

[FFIEC Pandemic Guidance](#)

[CISA COVID-19](#)

[2007 NCUA Letter to Credit Unions on Pandemic Planning](#)

[CDC Coronavirus Information](#)

[CDC Preventing COVID-19 Spread in Communities](#)

[CDC State and Local Government Planning](#)

State Resources

Updates from the Alabama Department of Public Health at <http://alabamapublichealth.gov/infectiousdiseases/2019-coronavirus.html>

Updates from the Governor at <http://www.governor.alabama.gov/>

Updates from the Alabama Emergency Management at <https://ema.alabama.gov/>

3) As with any "event" such as hurricanes, tornadoes, winter weather, or pandemics, communication with the Agency is extremely important. Credit unions should notify the Agency of any circumstances caused by the pandemic, including issues with obtaining cash, processing cash letters, staffing issues, temporary closures of main office locations and/or branches, etc. You can contact the Agency through the normal channels used during an event, including contacting our examiners as detailed below:

ACUA Office	Website: <u>www.acua.alabama.gov</u>
Greg McClellan	<u>Greg.McClellan@acua.alabama.gov</u>
Lloyd Moore	<u>Lloyd.Moore@acua.alabama.gov</u>
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Ray Price	<u>Ray.Price@acua.alabama.gov</u>
Jerome Parrish	<u>Jerome.Parrish@acua.alabama.gov</u>

4) As circumstances warrant, the Agency will post updates to our website listed above.

5) Credit unions are also encouraged to work with members that may be impacted by circumstances related to COVID-19. Additional guidance regarding working with members may be provided as needed or provided upon request.

6) Credit unions are encouraged to be ever mindful and diligent when accessing the internet for updates, news, etc. relative to COVID-19. Hackers can often times mirror official government websites in times of a pandemic or other event in hopes of someone clicking on and opening a link that potentially has an embedded executable file that could potentially infect a credit union's data processing system or ultimately provide a hacker access to sensitive or other personally identifiable information of your members. Internet usage policies and general governance measures relating to IT Security, CyberSecurity and the like should be reviewed and discussed with all applicable credit union staff who have internet and system(s) access.

6) We encourage credit unions to monitor NCUA's website for updates as well. www.ncua.gov

What Credit Unions Can Expect from the Agency

In accordance with the Code of Alabama, Title 5-17-47, if the Administrator finds that an immediate danger to the public welfare requires adoption of a regulation upon fewer than 30 days' notice and states in writing his or her reasons for that finding, he or she may proceed without prior notice or hearing or upon any abbreviated notice and hearing that he or she finds practicable to adopt an emergency regulation. At this time, the Administrator has no plans to adopt such emergency regulation. However, we recognize that many credit unions will be having their Annual Meeting of the membership as required by state law and each credit union's Bylaws, typically in the first two quarters of a calendar year. If the Board of Directors and senior executive management find it in the best interest of the membership to postpone such meeting, we will certainly consider granting approval for such request. Please submit a letter signed by the Board Chairman to the Administrator for relief under your current Bylaw requirements concerning the Annual Meeting. We remind you that prompt notification to the membership of such postponement is important and critical to keep the membership informed, not only of the postponement itself, but also to provide notice of the new date, time, location, etc. when rescheduled.

The Agency realizes that social distancing is key to preventing unnecessary risk and the exposure of COVID-19 to credit union employees, ACUA employees and the citizens of the State as a whole. The Agency plans to maintain normal operations regarding the examination and supervision of state-chartered credit unions. This plan is fluid and subject to change at the direction of the Governor. Examiner training in out-of-state venues has been postponed thru most of April, 2020. Other agency travel for conferences and meetings have also been postponed until a future date can be determined. Should the circumstances warrant, the Agency may consider implementing phase(s) of our pandemic plan that would limit travel and person to person contact. In the interim, the Agency will continue to fulfill its essential functions, while limiting risk, by conducting regulatory, supervisory and examination work

offsite as much as possible. The success of the off-site program will depend on a credit union's staff and our staff working together for timely and effective communication through electronic means regarding information requests and discussions.

We believe the Agency can fulfill our mission and credit unions can continue to provide necessary financial services to their members across the State while preventing unnecessary risk by maintaining good hygiene habits, using social distancing methods and heeding the advice of medical professionals as we weather this storm together.

Thank you for your cooperation and commitment to providing necessary financial services to your membership and communities across the State of Alabama, especially during events such as a pandemic. If you have any questions, please do not hesitate to contact the Agency.