



# *Credit Union Department Memorandum*

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**TO:** All Credit Unions

**FROM:** Harold E. Feeney, Commissioner

**DATE:** May 19, 2015

**SUBJECT:** 2015 Hurricane Season

Forecasters say this year's hurricane season may be among the tamest on record, with predication indicating activity could be half of the norm. The forecasts, however, are no reason to let down our guard. Predictions can be off and even a single, strong hurricane can cause harm and damage. In 1983, one of the least active seasons on record, Hurricane Alicia roared through Texas, killing more than 20 people and causing billions of dollars in damage.

History teaches us that a lack of hurricane awareness and preparation are common threads among all major hurricane disasters. Knowing our vulnerabilities and what actions we should and need to take, is one of the best defenses against the destructive power of a hurricane. Although credit unions headquartered near the Texas coast are the most vulnerable, storms can disrupt and endanger lives throughout the state.

Credit unions are reminded that, in an emergency situation, the president or other designated officer may close the institution entirely or one or more of its office for up to three business days pursuant to 7 TEX. ADMIN. CODE §91.5001. If necessary, after the Governor declares a disaster, the Commissioner will issue an order authorizing credit unions in the affected areas to close and remain closed until the credit union's officers determine an emergency no longer exists. The Order will be posted on our website ([www.cud.texas.gov](http://www.cud.texas.gov)). In either case, the credit union needs to contact the Department by fax [(512) 832-0278], email [CUDmail@cud.texas.gov], telephone or text message [(512) 837-9236] as promptly as conditions permit, providing the date and time of closing and the address of the affected office(s).

We know that credit unions are an essential part of the orderly preparation for and recovery from a hurricane. Specifically, credit unions supply cash that is so vital both before and after an emergency. To ensure that your credit union is ready to meet member needs, we strongly recommend that orders for extra cash (within the limitations of your bond) are submitted to the credit union's supplier well in advance of an approaching storm. We also recommend that provisions be made to ensure ATMs are properly stocked.

It is extremely important that credit unions develop appropriate contingency plans to preserve and protect their records. This is particularly important for electronic information systems. It is far more economical to duplicate many of these medium at the time of creation than to attempt to recover the

sole copy of such items damaged in a disaster. Back-up medium should not be left at the site of a potential impact area. Secure off-site storage should be established prior to the hurricane making landfall or, if no other option exists, an officer of the credit union may want to consider taking an encrypted copy of the back-up medium with him/her upon evacuation. Credit unions are also encouraged to have a plan in place for alternate site operations, including a hot site, for short-term business operations following a disaster. A telephone tree listing employees with primary and alternative contact numbers has also proven essential in previous emergencies.

Generally, if a credit union has not communicated with the Department within 24 hours after the hurricane subsides, the Department will begin making contact using the emergency contact information previously provided by the credit union. Credit unions should ensure that they have reviewed and updated, if necessary, their emergency contact information in the credit union's NCUA On-Line Profile. It is important to keep in mind that a hurricane strike in your area may not only impact your credit union's facilities or operations, but will likely impact your employees, their property and their families. The credit union should be prepared to take whatever steps are needed to support employees in their ability to secure their own safety as well as that of their family, as this will impact their ability and/or willingness to return to work.

After the emergency has passed, the Department maintains a list of open and closed credit union offices to assist the public in obtaining credit union services. We also coordinate with NCUA and trade associations to provide the Governor's Office, the Credit Union Commission, and the Texas Emergency Operations Center with reports on credit union closures or other issues that have been brought to our attention.

We encourage credit unions to work with its members during this type of difficult time. It may want to consider increasing credit limits, eliminating fees for services or granting loan payment extensions if these accommodations can be accomplished within safe and sound parameters. We also encourage credit unions to assist other credit union members by waving check cashing, ATM and other similar fees.

A hurricane does not have to be a disaster if we are prepared. Thank you for your efforts and continued attention to this matter!

## **Resources**

<http://governor.state.tx.us/hurricane/>

[http://www.txdps.state.tx.us/dem/ThreatAwareness/weather\\_aware\\_hurricane.htm](http://www.txdps.state.tx.us/dem/ThreatAwareness/weather_aware_hurricane.htm)

<http://www.nhc.noaa.gov/>

<http://www.ready.gov/hurricanes>