



**CORNERSTONE  
FOUNDATION**

# **United. Strong. Ready:**

## **Credit Union Disaster Preparedness**



**Southeastern  
Credit Union Foundation**  
Charity. Community. Cooperation.



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# Disaster Preparedness NCUA Requirements

Valerie Moss  
CUNA Compliance

# Disclaimer

The information provided in this presentation, including all materials, should not be construed as legal services, legal advice, or in any way establishing an attorney-client relationship. Credit unions should contact their own legal counsel for advice. Information may have changed since this presentation was prepared. This information is intended to only be a summary and is not all inclusive.



# Today's Agenda



Regulatory Requirements

NCUA Guidance

Lessons Learned

Disaster-related Fraud

Next Steps

# Regulatory Requirements

- NCUA's Part 748: Reporting Catastrophic Acts
- NCUA's Part 749: Records Preservation
  - Appendix B: Catastrophic Act Preparedness Guidelines



# Part 748: Reporting Catastrophic Acts

- Notify NCUA regional director **within 5 business days** of any “catastrophic act” that occurs at the credit union’s office(s)
  - A catastrophic act is any disaster, natural or otherwise, that results in physical destruction or damage to the credit union or that causes an interruption in “vital member services” projected to last **more than two consecutive business days**.
  - Vital member services include any account inquiries, share withdrawals and deposits, and loan payments and disbursements.


# Part 749: Records Preservation

- Written vital records preservation program
- Procedures for maintaining duplicate vital records at a vital records center
  - Vital records include members' share, deposit, and loan balances; the credit union's financial reports, accounts at financial institutions, insurance policies, and investments; and emergency contact information for employees, officials, regulatory offices, and vendors used to support vital records.
- Appendix B contains NCUA's catastrophic preparedness guidelines

# Catastrophic Act Preparedness Guidelines

- Business impact analysis to evaluate potential threats
- Risk assessment to determine critical systems and necessary resources
- Written disaster recovery/business continuity plan
- Internal controls for reviewing and revising the plan as needed
- Annual testing to ensure contingency plans actually work

# NCUA Guidance



National Credit  
Union Administration

Go

[Locate a credit union](#) | [Research a credit union](#)

About NCUA > Regulation & Supervision > Analysis > Support Services > Consumers > News > COVID-19 >

[Home](#) [NCUA.gov](#) / [Regulation and Supervision](#) / [Manuals and Guides](#)

## Manuals & Guides

- [ALM Review Procedures](#)
- [Asset Valuation Workbook](#)
- [Accounting Manual](#)
- [Chartering & Field of Membership Manual](#)
- [Credit Union Bonds](#)
- [Examiner's Guide](#)
- [Fair Lending Guide](#)
- [Federal Consumer Financial Protection Guide](#)
- [HMDA Reporting Guide](#)
- [Hurricane & Disaster Information](#)
- [Notice of Change in Official or](#)

## Hurricane and Disaster Information

### Resources for Consumers

Consumers can find up-to-date information on the storm from the National Hurricane Center's [information page](#). Consumers can also find information on how to prepare for a hurricane and other resources on the Department of Homeland Security's [information page](#).

Credit union members with questions about their credit union should visit NCUA's consumer site [MyCreditUnion.gov](#).

Credit union members with questions about their Share Insurance coverage should contact the NCUA's [Consumer Assistance Center](#) at 800.755.1030 Monday through Friday between 8 a.m. and 5 p.m. Eastern.

### Beware of Email Phishing Scams During Disasters

Credit unions and their members are advised to exercise caution in handling any email from duplicitous charitable organizations requesting donations, even if it appears to originate from a trusted source. These fraudulent emails

# NCUA Guidance

- Letter to Federally Insured Credit Unions 09-CU-13, Hurricane Preparedness and Pandemic Planning
- Letter to Credit Unions 06-CU-12, Disaster Preparedness and Response Examination Procedures
- Letter to Credit Unions 06-CU-11, Interagency Guidance Lessons Learned by Institutions Affected by Hurricane Katrina
- Risk Alert 06-CU-01, Disaster Planning and Response
- Letter to Credit Unions 01-CU-21, Disaster Recovery and Business Resumption Contingency Plans

[ncua.gov/regulation-supervision/manuals-guides/hurricane-disaster-information](https://www.ncua.gov/regulation-supervision/manuals-guides/hurricane-disaster-information)

# Lessons Learned from Previous Disasters

- Remain in a continuous state of readiness pre-disaster.
- Early warning? Take steps to safeguard assets and vital records.
- Communicate disaster preparedness and response efforts before, during, and after an emergency to keep members, volunteers, employees, and regulators fully aware of the situation.

# Lessons Learned from Previous Disasters

- 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.



# Beware of Scammers!

- Benefits fraud
- Charities fraud
- Cyber-related fraud  
(report Internet fraud to [www.ic3.gov/](http://www.ic3.gov/))
- Advisories available on [FinCEN.gov](http://FinCEN.gov)

Disaster **Fraud** Hotline

866-720-5721

[www.justice.gov/DisasterComplaintForm](http://www.justice.gov/DisasterComplaintForm)

# Next Steps? P-R-E-P-A-R-E

- **P**lanning – Ensure Financial Services to Members
- **R**esources – Allocate Sufficient Equipment, Supplies, and Facilities
- **E**valuation – Test of Contingencies for All Critical Systems
- **P**eople – Maintain Readiness of Staff and Officials
- **A**lliances – Establish Relationships with Other Organizations
- **R**eview – Update Internal Plans for Effectiveness
- **E**xperience – Incorporate Lessons Learned

*NCUA Letter 06-CU-12: Disaster Preparedness Response Examination Procedures*

# Questions?



- Contact CUNA's Compliance Team at [cucomply@cuna.coop](mailto:cucomply@cuna.coop)
- Connect with your peers on CUNA's Compliance Community [compliancecommunity.cuna.org](https://compliancecommunity.cuna.org)

# Compliance Confidence



**CUNA Compliance  
Community**

enterprise risk management

CompBlog

CUNA vendor management  
compliance resources



designations

CUNA Strategic Services



webinars & eschools



CUNA eGuide to Federal  
Laws & Regulations

**SCHOOLS & CONFERENCES**

CUNA RegTraC



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A photograph of a man and a woman standing with their backs to the camera, looking out over a scene of destruction. The woman is wearing a grey and white patterned sweater, and the man is wearing a light blue ribbed sweater. They are standing on a gravelly surface. In the background, there is a rusted, mangled car and a large pile of debris, including wood and metal. The scene appears to be the aftermath of a disaster, possibly a fire or explosion. The lighting is bright, suggesting daytime.

# Empowering Credit Unions During Disaster: CUAid

*Gigi Hyland, Executive Director*



# The National Credit Union Foundation is the charitable arm of the U.S. credit union movement.

## Mission

The Foundation works as a catalyst to improve people's financial lives through credit unions.

Through collaborative support and action, we ignite, we inspire, and we respond to the needs of the credit union movement.





# WHAT WE DO



## IGNITE

*Ignite credit unions to place employee, member and community financial well-being at the center of their strategy.*



## INSPIRE

*Inspire credit unions to leverage their cooperative values to reinforce and organizational culture that empowers and motivates employees.*



## RESPOND

*Respond when disaster strikes to help credit unions increase business resiliency through the cooperative value of “people helping people”.*

# OUR IMPACT

## IGNITE

Since 2005, the Foundation has granted \$36 million to the movement to improve people's financial well-being.

## INSPIRE

Over 2,000 credit union professionals have graduated from the Foundation's DE Program, spearheading change in our movement.

## RESPOND

Through CUAid, more than \$9 million has been granted to credit union employees and volunteers to recover from natural disasters.

“

The Foundation is a testament to the cooperative spirit and the credit union purpose of bringing people together to help improve the lives of so many. They work tirelessly alongside credit unions around the country to help build stronger communities, nurture future leaders and improve the financial well-being for all of us, so tomorrow may be better than we can imagine today.

**Bill Cheney**, President/CEO  
SchoolsFirst Federal Credit Union

# CUAid

- The Foundation's first major relief effort was in response to the Oklahoma City bombing in 1995, for which \$1.4 million was raised to help credit union victims' families. Since August 29, 2005 – when Hurricane Katrina struck America's Gulf Coast – the Foundation has become the credit union movement's focal point for disaster relief.
- Officially developed by the Foundation in 2006 in cooperation with state credit union foundation, leagues, and CUNA's Disaster Preparedness Committee.
- What's unique about CUAid is that the funds raised uniquely support credit unions, their employees and volunteers who are impacted by a disaster.

# The evolution of CUAid

- In the past, when a disaster would occur, the Foundation would “activate” CUAid to solicit donations to fund our grants and relief efforts. The money received would be restricted to that disaster for up to a year.
- In 2017, with 4 disasters in as many weeks (Harvey, Maria, Irma and the CA wildfires), we coordinated the outpouring of support among 4 leagues to ensure as much of the needs could be met. We now solicit donations on an ongoing basis for our General Disaster Relief Fund to ensure we have money to respond as quickly as possible.

# 2018: Hurricane Michael

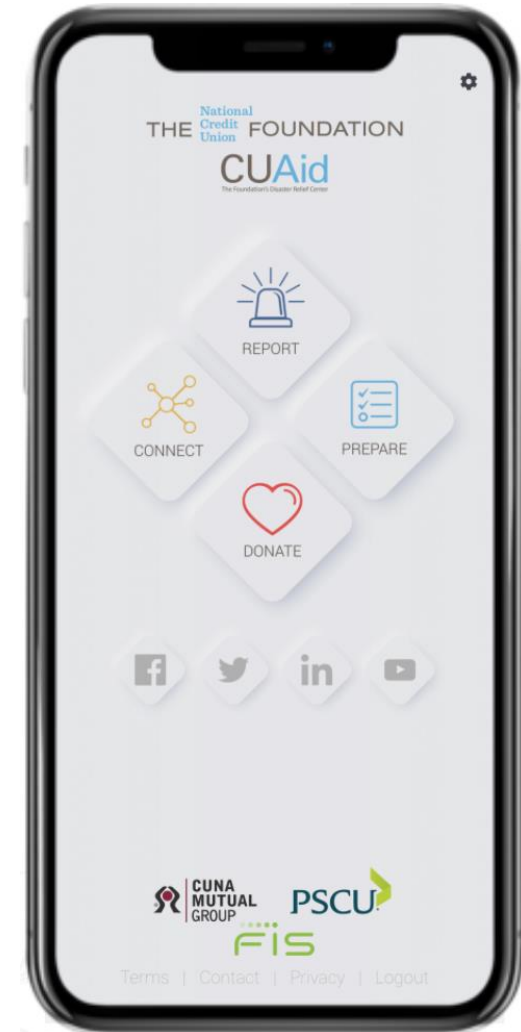


- After Hurricane Michael, PSCU reached out to explore an idea to create a mechanism for credit unions to help each other.
- Burner phones, portable generators, cash and other needs were immediate after this particular hurricane.
- And that was how the CUAid app was born!



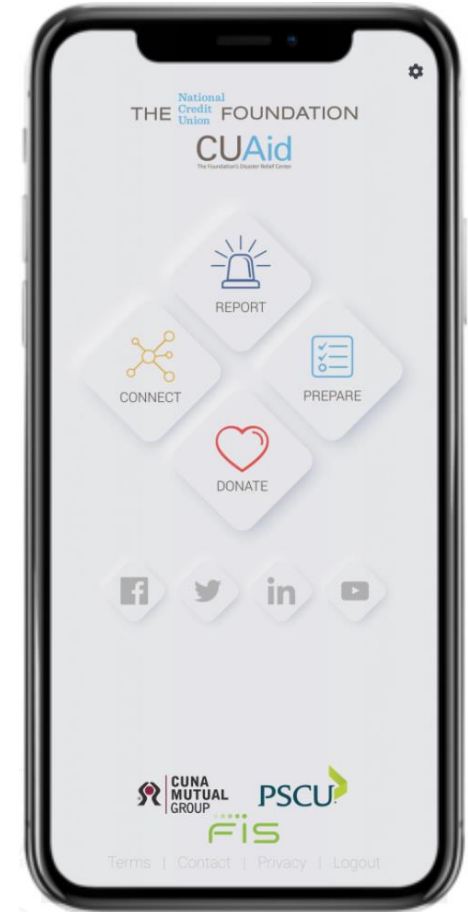
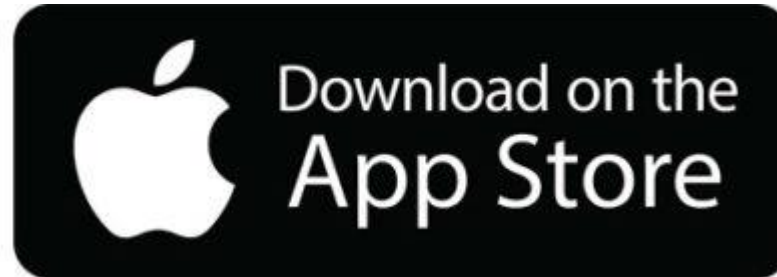
# CUAid Disaster Recovery App

- Free to all credit unions. Yes, I said “Free!”
- Generous funding provided by CUNA Mutual and FIS with in-kind support from PCSU.
- The app contains preparedness resources, ability to input own resources, and seek help during a disaster.
- The app serves as a “matching” service for credit unions to source and share emergency resources including generators, mobile branches, and more.



# CUAid app

- Launched in July 2020. To date, about 80 CUs have registered but many haven't filled in the "Prepare" form.
- We want you to use this app because we built it for you!
- Please download it from the app store and follow the instructions on how to fully register.





# Additional Resources:

1

The Foundation's  
[Disaster Relief  
Playbook](#)

2

The Foundation's  
[CUAid webpage](#)

3

The Foundation's  
[CUAid App webpage](#)

4

CUAid App [User Guide & FAQs](#) and  
["How to"](#) Video

5

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[www.ncuf.coop](http://www.ncuf.coop)

[www.lscu.coop/foundation](http://www.lscu.coop/foundation)



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