MEMORANDUM

TO: Chief Executive Officers of All State-Chartered Banks
FROM: Mike Hill, Superintendent of Banks
SUBJECT: Guidance for Banks on Pandemic Planning and Expectations
DATE: March 12, 2020

The Alabama State Banking Department (Department) 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 Department realizes that there are a lot of questions regarding the virus, what banks should be doing, and what they can expect from the Department. This Memorandum is to provide guidance as to what the Department expects from banks and what banks can expect from the Department.

What the Department Expects from Banks

1) The Department reminds all banks 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 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) Banks 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:

- Agencies Encourage Financial Institutions to Meet Financial Needs of Customers and Members Affected by Coronavirus (FDIC link to Joint Press Release below)
  
3) As with any “event” such as hurricanes, tornadoes, winter weather, or pandemics, communication with the Department is extremely important. Banks should notify the Department of any circumstances caused by the pandemic, including issues with obtaining cash, processing cash letters, staffing issues, temporary closures of branches, etc. You can contact the Department through the normal channels used during an event, including contacting our Business Continuity Coordinator Richard Stephens at 334-242-3552 (w), 334-590-6608 (c), or richard.stephens@banking.alabama.gov.

4) Banks are also encouraged to work with customers that may be impacted by circumstances related to COVID-19. Additional guidance regarding working with customers will be forthcoming.

What Banks Can Expect from the Department

The Department realizes that social distancing is key to preventing unnecessary risk and the exposure of COVID-19 to bank employees, Department employees and the community as a whole. Therefore, the Department has made the decision to start executing the phase of our pandemic plan that limits travel and person to person contact. The Department will continue to fulfill its essential functions, while limiting risk, by conducting regulatory and examination work offsite as much as possible. The success of the off-site program will depend on a bank’s staff and our staff working
together for timely and effective communication through electronic means regarding information requests and discussions. We believe that the Department can fulfill our mission and banks can continue to provide necessary financial services to their communities while preventing unnecessary risk by implementing this phase of our pandemic plan.

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