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# OFFICE OF FINANCIAL REGULATION STATE OF MARYLAND

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## **Emergency and Disaster Preparation Information for Maryland State-Chartered Banks, Credit Unions, and Trust Companies**

All Maryland state-chartered banks, credit unions, and trust companies must have a comprehensive disaster recovery plan in place that documents how they will respond to various wide-area disasters or emergencies such as major storms, widespread infectious disease outbreaks, regional communication disruptions, terrorist attacks, cyber-attacks on critical infrastructure including energy grids, telecommunications networks, and third-party service providers, etc. The purpose of the plan is to minimize, as much as possible, disruptions of business operations. The plan should be developed with the input of employees from all areas of the institution, and a written document should be communicated and shared with all employees. Your institution's disaster recovery plan, which is regularly reviewed by regulators during safety and soundness examinations, should be tested regularly and updated as needed.

As part of your emergency preparation program, it may be beneficial to encourage those customers who do not already utilize your institution's online banking, direct deposit, or automatic bill payment services, to participate in these services so that they may more easily engage your institution during an emergency. Remind customers that these services are not disrupted when a branch or office is closed due to emergency conditions. Customers who already have these automatic services in place experience much less difficulty in maintaining and accessing their accounts during disruptions caused by major storms or other disasters.

Below are some common questions we have received in connection with various storms and emergencies that have impacted our state or region.

### **FREQUENTLY ASKED QUESTIONS**

**1. Prior to a major storm, if we decide to close a branch or office early, do we need to notify the Commissioner?**

If you find it necessary to close a branch or office early in preparation for an impending storm, you should post notices in the branch for your customers. You should also notify the Office of Financial Regulation ("OFR") by sending an email to both Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) *and* Assistant Commissioner Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov). In your email, please include the location of the affected branch or office and the early closing time.

**2. What is the preferred method of communication with the OFR?**

The preferred method of communication is by emailing Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) **and** Assistant Commissioner Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov). Please be sure to include your institution’s name and primary address on all emails sent to the OFR.

**3. If we must close our entire institution, who are we required to notify?**

If it is necessary to completely close your institution due to an emergency, Maryland law requires that you notify the Governor’s Office within 24 hours of closing.\* The Governor’s Office maintains a Financial Institutions Portal that is customarily accessible through the Governor’s website (<https://governor.maryland.gov/Pages/home.aspx>). Because of ongoing updates to the Governor’s website, the Financial Institutions Portal is currently down for maintenance.

**While the Financial Institutions Portal remains offline, please call the Governor’s Office at 410-974-3901 to alert the Governor’s Office in the case that your entire institution is closing due to an emergency.** Once the Financial Institutions Portal is again accessible, completion of the webform through the portal will fully satisfy the requirement to notify the Governor’s Office. When providing information to the Governor’s Office about the closure, ensure that given phone contacts are cell phone numbers where decision makers can be reached during the emergency.

While the Governor’s Financial Institutions portal is down for maintenance, after calling the Governor’s Office at 410-974-3901, please immediately call at least one of the following individuals to also alert the OFR of the closure:

	<u>Phone No.</u>	<u>Email Address</u>
Antonio P. Salazar, Commissioner	410-230-6361	<a href="mailto:tony.salazar@maryland.gov">tony.salazar@maryland.gov</a>
Teresa M. Louro, Asst. Commissioner	410-230-6022 410-446-1990	<a href="mailto:teresa.louro@maryland.gov">teresa.louro@maryland.gov</a>
Stephen J. Clampett, Asst. Commissioner	410-230-6104 443-915-2383	<a href="mailto:stephen.clampett1@maryland.gov">stephen.clampett1@maryland.gov</a>

Whether calling the Governor’s Office and the OFR or utilizing the Financial Institutions Portal, please email Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) **and** Assistant Commissioner Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov) with a notification of the closure.

*\*The requirement to notify the Governor’s Office only applies if you close your entire institution. If you have one or more branches still operating, you only need to notify the OFR.*

**4. If our officers must evacuate the area for their safety, should we notify the OFR?**

If the officers of any Maryland state-chartered institution must evacuate a large regional area, please notify the OFR by emailing Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) *and* Assistant Commissioner Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov). The following information will be needed from the institution:

- ▶ Description of the situation
- ▶ Location of the branch(es) and office(s) affected by the evacuation order
- ▶ Whether you have branches that will continue to operate and their location(s)
- ▶ Steps taken by the institution to notify customers about the closing(s)
- ▶ Estimated time when the affected branch(es) or office(s) will reopen
- ▶ Direct contact information for your CEO and at least one other executive officer

**5. What if our main office or one of our branches suffers significant damage or loss of essential services as a result of a storm or other disaster?**

If your financial institution suffers total loss of its main office following a storm or disaster, it is unnecessary to seek prior approval from the OFR to establish a temporary location to replace the damaged facility. However, an after-the-fact notice must be provided to the OFR within 24 hours of the establishment of a temporary or back-up facility. The after-the-fact notice should be emailed to Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) *and* Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov). The institution's alternate site must have sufficient security measures in place to conduct financial transactions.

If you need to close a branch for a limited time in order to complete repairs, or if some of your facilities are undamaged but cannot open because they lack essential services such as electricity, telephone, or security, you should also notify the OFR by emailing Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) *and* Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov) with the following information:

- ▶ Description of the situation
- ▶ Location of the affected office or branch
- ▶ Steps taken to notify customers about the closing
- ▶ Estimated time when the office or branch will reopen
- ▶ Direct contact information for your CEO and at least one other executive officer

If you are unable to access email, please use the OFR phone numbers listed above.

**6. If our institution is closed because of an emergency, when are we permitted or required to reopen?**

- A. Emergency Declarations Issued by the Governor -- FI § 5-707(b)(1) MD Ann. Code. If the Governor proclaims that an emergency exists in a particular area of the state and designates

specific days for the general cessation of business in that area, then all of your branches or offices located within that area must remain closed for the designated days or until the declaration of emergency has been lifted by the Governor. Depending on the size of the designated area, this may result in your entire institution being closed.

- B. If the Governor *authorizes*, but does not *mandate* that your institution close, the institution's chairman of the board or president shall decide whether to close or remain open, depending on the specific conditions impacting your institution. FI § 5-707(b)(4).
- C. Closures by Bank Officials – FI § 5-707(c). If an emergency exists, but it is not practical to obtain a proclamation from the Governor before closing your institution, the chairman or president of your institution may:
1. Close the institution; and
  2. As soon possible, but no later than 24 hours after the closing, shall notify the Governor of the reason for the closing, as well as Assistant Commissioner Teresa M. Louro at [teresa.louro@maryland.gov](mailto:teresa.louro@maryland.gov) *and* Assistant Commissioner Stephen J. Clampett at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov).

The institution may remain closed until the earlier of:

1. Notice to the institution that the Governor will not issue an emergency proclamation;
2. Decision by its chairman of the board or president to reopen; or
3. By 5:00 p.m. on the third business day after the date of closing.

## RESOURCES

There are numerous resources that provide assistance and information that may be helpful to your institution as you prepare for major storms or other disasters. Some are listed below:

### Weather

- National Hurricane Center – National Weather Service  
<http://www.nhc.noaa.gov>
- Weather Underground's Computer Models  
<http://www.wunderground.com>
- AccuWeather.com's Forecast Eye Path  
<https://www.accuweather.com/en/hurricane/atlantic>

### Government

- MEMA - Maryland Emergency Management Agency  
[www.mema.maryland.gov](http://www.mema.maryland.gov)
- Local Maryland Emergency Center Contacts and Hotlines:  
<https://mdem.maryland.gov/Pages/Local-EOC.aspx>
- FEMA – Federal Emergency Management Agency  
[www.fema.gov](http://www.fema.gov)
- CISA – Cybersecurity and Infrastructure Security Agency  
<https://www.cisa.gov/>
- FFIEC – Federal Financial Institutions Examination Council  
*Preparing Your Institution for a Catastrophic Event*  
[https://www.ffiec.gov/pdf/katrina\\_lessons.pdf](https://www.ffiec.gov/pdf/katrina_lessons.pdf)
- CDC – Centers for Disease Control and Prevention  
[www.cdc.gov](http://www.cdc.gov)

#### **Other**

- Financial Services Sector Coordinating Council  
[www.fsscc.org](http://www.fsscc.org)

### **Priority Communication Systems**

Restoring communications after an emergency is critical. There are several priority systems for both voice and data communications that are coordinated by the National Communications System (“NCS”). NCS was established in 1963 to provide priority communications support to critical government functions during emergencies. In 1993, NCS established two priority telecommunication services that are available to private-sector entities through sponsorship by an NCS member department or agency. The Federal Reserve Board has been an NCS agency since 1984. You may want to consider utilizing one of the following options:

- **Government Emergency Telecommunication Service (“GETS”)**

GETS is an emergency phone service provided by NCS through the Information Analysis and Infrastructure Protection Division of the Department of Homeland Security. GETS provides emergency access and priority processing in the local and long-distance segments of the Public Switched Telephone Network (“PSTN”). It is intended to be used in an emergency or crisis situation when the PSTN is congested and the probability of completing a call over normal or other alternate telecommunication means has significantly decreased. Upon approval, selected critical employees of eligible organizations will be assigned a card and PIN to access the GETS emergency system.

GETS is accessed by dialing a universal access number using common telephone equipment. A prompt will direct the entry of your PIN and the destination telephone number. Once you are authenticated as a valid user, your call is identified as an NS/EP (national security/emergency preparedness) call and will receive special treatment.

While there is no subscription fee for this service, GETS calls are billed by the minute. More information regarding the GETS program can be found at <https://www.dhs.gov/cisa/government-emergency-telecommunications-service-gets>.

- **Wireless Priority Service (“WPS”)**

WPS is a companion service for GETS that affords priority calling to GETS users. WPS supports national leadership; federal, state, local, tribal and territorial governments; and other authorized national security and emergency preparedness users. It is intended to be used in an emergency or crisis situation when the wireless network is congested and the probability of completing a normal call is reduced. WPS is offered by the Cybersecurity and Infrastructure Security Agency (“CISA”) of the U.S. Department of Homeland Security. CISA recommends that individuals requesting GETS obtain the WPS service as well. The registration process is done through CSBS and allows authorized personnel to request both services at the same time.

- **Emergency Communication System (“ECS”)**

ECS is a communication channel established by the Federal Reserve Bank of St. Louis, which partners with the OFR. This free system is available to all Maryland state-chartered institutions.

ECS is a tool used by state regulators and the Federal Reserve to communicate with financial institutions during emergency situations. This system allows the OFR and the Federal Reserve to establish two-way communication channels quickly and simultaneously with all registered Maryland state-chartered financial institutions during a crisis so that essential information can be easily shared.

This system has been successfully used in several states in the Southeast and Midwest. We urge all Maryland state-chartered banks to register for this valuable service.

