

CORONAVIRUS : DEALING WITH DISRUPTION

As the Coronavirus threatens the normal operations of business throughout the country, banks may consider how to tackle the disruption and protect employees and customers while continuing to comply with regulatory obligations. While the country works through the challenges presented by the Coronavirus, the ability of our banks to seamlessly maintain banking services and the availability of loans to those businesses most significantly stressed by the crisis will be critical to maintaining consumer confidence in the strength and resilience of our economy.

Given this focus on continuing operations, banks need to consider the obligations imposed on them by federal agency guidance, including the Federal Financial Institutions Examination Council (“FFIEC”) related to business continuity plans and pandemic planning (“FFIEC Guidance”), and other pronouncements from the [FDIC](#), [OCC](#), and the [Federal Reserve](#).

The [FFIEC Guidance](#), among other things, identifies actions that can be taken to minimize the potential negative effects of a pandemic. The FFIEC Guidance reminds financial institutions that the business continuity plans should consider pandemics and provide for a preventive program, a documented strategy for the stages of a pandemic, a comprehensive framework to ensure the continuance of critical operations, a testing program, and an oversight program. However, the plans should be commensurate with the size and complexity of the bank and its activities.

The reality, as recognized by the FFIEC, is that the impact of a pandemic is much more difficult to determine in terms of the scale and duration. That is certainly the case with Coronavirus, as evidenced by the diverse public statements and predictions from regulators, politicians, news outlets, and heads of state across the globe.

The challenges for banks in maintaining business operations, especially with potential employee absenteeism, should not be understated. However, certain actions may be taken immediately regardless of the state of a bank’s business continuity plan.

- Stay calm.
- Reassure employees and customers that while we are confident the crisis will pass, the bank is taking actions to minimize the impact of the Coronavirus disruption as much as possible.
- Begin implementing actions identified and practiced under existing business continuity plans.
- If your business continuity plan does not currently include pandemic planning, review the FFIEC Guidance and the [FFIEC Business Continuity Management Handbook](#) for suggested actions to take.

Don't be afraid to ask for help. We are monitoring this crisis the same way our clients are, and we are standing by to assist our bank clients in every aspect of their response to the Coronavirus—from contingency planning to HR issues, and loan defaults to exploring share buyback programs. Don't hesitate to reach out to your Howard & Howard attorney, or any of the attorneys listed below. Preparation and early action are critical to maintaining operations in times of stress and uncertainty.

Thank you.



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