



STATE OF MISSISSIPPI
DEPARTMENT OF BANKING AND CONSUMER FINANCE

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MEMORANDUM

TO: Chief Executive Officers of Mississippi State Chartered Banks

FROM: Rhoshunda Kelly, Acting Commissioner

SUBJECT: Industry Pandemic Preparedness and DBCF Response

DATE: March 13, 2020

The Mississippi Department of Banking and Consumer Finance (DBCF) continues to monitor developments of Coronavirus (COVID-19), announcements from the Center for Disease Control and Prevention (CDC) and the Mississippi State Department of Health. While we've received many questions regarding regulatory expectations in response to this event, the declaration of a National Emergency today has prompted heightened concern regarding how banks should conduct business and how DBCF will meet regulatory responsibilities.

The purpose of this Memorandum is to provide some general guidance to the industry and outline flexibility in DBCF processes in response to the COVID-19 event.

Institutions should periodically review related risk management plans, specifically continuity and pandemic plans, to ensure continuity of products and services with minimal disruption. Sound planning, in advance of imminent risk, helps minimize the disruptions of services to consumers, businesses, and communities when contingencies occur.

Institutions should be prepared for disruptions to key personnel availability in your essential funding and payments functions. The DBCF understands that many financial institutions may face immediate staffing issues and other challenges. In cases in which operational challenges persist, we will expedite, as appropriate, any request to provide more convenient availability of services in affected communities. The regulators will also

work with affected financial institutions in scheduling examinations to minimize disruption and burden.

As with any "event" such as hurricanes, tornadoes, winter weather, or pandemics, communication with the DBCF is extremely important. Banks should notify DBCF of any circumstances caused by the pandemic, including issues with obtaining cash, processing cash letters, staffing issues, temporary closures of branches, etc. Updated emergency contact information was mailed to CEOs earlier today.

Social distancing has proven to be a key to preventing unnecessary risk and the exposure of COVID-19 to bank employees, DBCF employees and the community. Therefore, effective March 13, 2020, the DBCF made the decision to conduct bank examinations 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 can achieve our mission of effective regulation and supervision while preventing unnecessary risk to our communities by implementing this phase of our continuity plan. It's imperative that we remain nimble during this time to ensure the safety of our communities.

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 us.