



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
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A Reminder to Institutions Preparing for Hurricane Irene: Lessons Learned from Hurricane Katrina

Summary: The FDIC is issuing a reminder that guidance developed in response to Hurricane Katrina emphasizes valuable lessons learned that should be considered in preparing for a significant storm.

Statement of Applicability to Institutions under \$1 Billion in Total Assets: This Financial Institution Letter applies to all FDIC-supervised financial institutions.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Compliance Officer
Chief Lending Officer

Attachments:

[Lessons Learned From Hurricane Katrina:
Preparing Your Institution for a Catastrophic Event](#)

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Note:

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Highlights:

- As financial institutions and their customers prepare for Hurricane Irene, lessons learned from Hurricane Katrina can be particularly helpful.
- The guidance, issued by the Federal Financial Institutions Examination Council in 2006, highlights unique challenges created by significant storms, including communication and power outages, destruction of facilities, and interruption in availability of certain branches and ATMs.
- Business continuity plans generally worked well in enabling institutions to meet these challenges and restore operations swiftly.
- Preparation is critical to the speed at which essential services can be restored. Key lessons learned are:
 - Anticipate disruptions in communication services and the ability of critical staff to reach their assigned recovery area, possibly over an extended period of time.
 - Anticipate that financial institution operational facilities could be damaged or destroyed, creating a need for alternate facilities. The location of a back-up site can be critical to successful recovery efforts.
 - Be prepared to operate in a "cash only" environment.
 - Recognize that a financial institution's involvement in neighborhood, city, state, and federal volunteer programs can facilitate a community's recovery from a catastrophic event.