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# **PRESS RELEASE**

**For Release:**  
Immediately

## **FSSCC REPORTS PROGRESS IN FINANCIAL SERVICES SECTOR RESPONSE TO CUSTOMERS AFFECTED BY HURRICANE KATRINA**

*New York, September 6, 2005* — The Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security (FSSCC) reports considerable progress as the financial services sector responds to the needs of customers and victims affected by Hurricane Katrina. Financial institutions and financial associations are working closely with the Department of the Treasury as well as with Federal and state financial regulators to both support implementation of solutions to the most immediate problems and create a plan of action to resolve long-term issues.

“Customers of financial institutions located in the affected areas can remain confident that financial sector members are working constantly to ensure the continued security of their financial assets,” said Donald F. Donahue, Chairman of the FSSCC and Sector Coordinator for Banking and Finance. “Deposit insurance is in full force and money in FDIC- or NCUSIF-insured accounts is protected by federal deposit insurance, as the Federal financial regulatory agencies emphasized in a September 1 joint release.”

FSSCC is a network of financial services industry associations and trade groups that works closely with the Department of Treasury, financial regulators and other government agencies to coordinate the private sector’s preparation and response for events that could disrupt the normal business of financial services, such as terrorism, cyber attacks or natural disasters.

### **Activating Business Continuity Plans**

Key financial institutions in the affected areas have activated their business continuity plans and are operating from backup locations. Some institutions are operating from shared facilities or have relocated operations to facilities made available by another firm. Federal and state banking regulators are closely monitoring these efforts and disseminating status information; the Federal Deposit Insurance Corporation, for example, is making extensive information on the status of insured financial institutions available on its website (at [www.fdic.gov/news/katrina/index.html](http://www.fdic.gov/news/katrina/index.html)). Securities regulatory authorities are providing similar support to securities firms located (or with branches located) in the affected areas.

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National financial institutions have relocated any operations in the affected areas to alternative sites out of the affected region. The national systems for the processing of payment and securities settlement transactions have been unaffected by the hurricane and continue to operate normally.

### **Handling Financial Transactions for Those in the Affected Areas**

The Federal financial regulatory agencies have urged financial institutions to move expeditiously to open accounts and handle transactions for storm victims through, for example, flexible handling of customer information requirements under Bank Secrecy Act and other legislative mandates. (This joint release is on the agency websites – e.g., [www.federalreserve.gov/boarddocs/press/bcreg/2005/20050901/default.htm](http://www.federalreserve.gov/boarddocs/press/bcreg/2005/20050901/default.htm).) Institutions are moving ahead with these actions. Many institutions in areas receiving displaced people conducted business on Saturday, and, on the encouragement of state banking officials, remained open throughout the Labor Day weekend. State banking agencies are acting to minimize regulatory impediments for financial institutions seeking to open temporary facilities to service displaced citizens. National and state bank associations are working closely with these regulators to share information and address problems as they arise.

FSSCC has been advised that the Federal Reserve has activated backup procedures to distribute cash to the affected areas (in many instances the armored car companies that deliver this cash to depository institutions are authorized to directly restock the institution's automated teller machines). These procedures are fully operational and effectively addressing needs for cash in these areas, and the Federal Reserve is meeting all requests for cash from depository institutions. Backup procedures for processing check presentations have also been implemented. Governmental authorities are also arranging to address any fuel shortages that might otherwise impede distribution of currency to affected areas.

One of the concerns of displaced people is the receipt of checks – such as Federal and State entitlement payments and proceeds from investments such as annuity payments – mailed to addresses in the affected areas. During the Labor Day weekend, the United States Postal Service implemented special procedures for people in the affected areas to redirect Social Security checks to designated post offices for pickup (see the notice at [www.usps.com/communications/news/serviceupdates.htm?from=bannercommunications&page=katrina#](http://www.usps.com/communications/news/serviceupdates.htm?from=bannercommunications&page=katrina#)). Furthermore, with special address-change procedures implemented by the Postal Service, displaced people can have mail redirected to a new address (a notice describing these procedures is also accessible at the same URL).

FSSCC has also been advised that disbursement files of electronic (ACH) credits for Social Security payments to residents of the affected areas have generally been received by the processing financial institutions. In many instances these credits have already been posted and can be drawn from recipients' accounts.

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Financial institutions will continue to assist their own customers and the customers of other financial institutions affected by Katrina to meet their financial needs as effectively and quickly and with as much flexibility as possible. Customers should not hesitate to work with financial institutions on their own specific circumstances, which can clearly vary from person to person. The financial sector will continue to work with the Department of the Treasury and with its regulators to resolve any financial issues arising from this national tragedy.

#### **About FSSCC:**

The Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security ([www.fsscc.org](http://www.fsscc.org)) is a group of private sector firms and financial trade associations that works to help reinforce the financial services sector's resilience against terrorist attacks and other threats to the nation's financial infrastructure. In this capacity, the Council works with the Department of the Treasury, which has direct responsibility for infrastructure protection and homeland security efforts for the financial services sector. It serves under the overall guidance of the Department for Homeland Security, under Homeland Security Presidential Directive 7. Since most of the sector is privately owned, the Treasury appoints a private-sector Coordinator with whom to work on these issues. Treasury Secretary John Snow appointed Mr. Donahue to this role in May 2004. The Sector Coordinator also serves as Chairman of the Council.

#### **The Council members include:**

- America's Community Bankers
- American Bankers Association
- American Council of Life Insurers
- American Insurance Association
- American Society for Industrial Security (ASIS) International
- BAI
- BITS/The Financial Services Roundtable
- ChicagoFIRST, LLC
- Chicago Mercantile Exchange
- CLS Group
- Consumer Bankers Association
- Credit Union National Association
- The Depository Trust & Clearing Corporation (DTCC)
- Fannie Mae
- Financial Information Forum
- Financial Services Information Sharing and Analysis Center (FS-ISAC), LLC
- Financial Services Technology Consortium
- Futures Industry Association
- Independent Community Bankers of America
- Investment Company Institute
- Managed Funds Association
- The NASDAQ Stock Market, Inc.
- National Association of Federal Credit Unions
- National Association of Securities Dealers (NASD)
- NACHA — The Electronic Payments Association
- New York Board of Trade (NYBOT)
- The Clearing House
- Securities Industry Association (SIA)
- Securities Industry Automation Corporation (SIAC)
- The Bond Market Association
- The Options Clearing Corporation
- VISA USA Inc

**Media Contact:**

Crystal Bueno

212.855.5473

[clevy-bueno@dtcc.com](mailto:clevy-bueno@dtcc.com)