

Texas Department of Banking

Press Release

Texas Banks Encouraged to Assist Disaster Victims

Date: September 2, 2005

In response to the devastating affects of Hurricane Katrina and the growing number of citizens that have been displaced to Texas for shelter, Banking Commissioner Randall S. James is encouraging banks in Texas to support disaster relief organizations in meeting the massive needs of these evacuees. Commissioner James said, "I know that Texans, and especially Texas bankers, will extend a helping hand to our neighbors in their time of need."

Commissioner James is asking that Texas banks assist financial institutions in Louisiana, Mississippi and Alabama in their attempt to meet the basic financial services needs of their customers. Commissioner James said, "I encourage our Texas banks to offer assistance to their counterparts in these states in any practical way they can. Offering facilities, personnel and technology can help these institutions help their customers." The Texas Department of Banking continues to coordinate with federal and state banking regulators to respond to public needs as they develop.

Bankers are encouraged to provide check cashing facilities to displaced persons over this upcoming Labor Day weekend, even if only through a drive-up window, to avoid presenting displaced people a long weekend without cash.

Operational disruptions exist for many banks in the affected areas. Some information on customer's funds availability may not be accessible for an extended period of time. **Texas bankers are encouraged to assist to the greatest extent possible in meeting the financial needs of displaced citizens by cashing checks for non-customers and accepting debit card transactions of displaced citizens and emergency workers coming into their communities.**

On security issues, for the bank and also for citizens, bankers are encouraged to establish contact with the local police forces and establish communications channels to make sure adequate security needs are met.

Bankers are encouraged to **counsel displaced individuals** for whom checks are cashed to be **security conscious** and aware, and to be **wary of potential scams or cons** from people that might seek to take advantage of them and the situation. One possibility is to offer to establish deposit accounts for people to reduce the amount of cash they need to carry.

Bankers are encouraged to remain in contact with their primary correspondent bank, the Dallas Federal Reserve and their nearby banking institutions, and to make early contact with courier services, regarding cash needs. Retain sufficient cash on hand to handle these unexpected cash needs.

The Social Security Administration is continuing to issue checks to individuals. Texas bankers are encouraged to contact their local administration offices on process, but then to assist displaced

citizens that are coming into their communities to the greatest extent possible in cashing these checks.

Texas bankers are encouraged to **join with their local communities in providing resource personnel and ideas to assist** in the basic necessities for displaced citizens coming into their communities. This includes planning in advance of incoming displaced citizens.

Texas bankers are encouraged to provide the opportunity to banking organizations from the hurricane impacted areas to share teller lines, space, or other facilities.

Bankers are encouraged to go to the FDIC website, at www.fdic.gov, to keep apprised of current issues, possible resolutions and information.

Commissioner James also joins the federal agencies in encouraging financial institutions to consider all reasonable and prudent actions that could help meet the critical financial needs of these individuals. To the extent consistent with safe and sound banking practices, such actions may include:

- Opening accounts without charges
- Waiving ATM fees for customers and non-customers
- Increasing ATM daily cash withdrawal limits
- Easing restrictions on cashing out-of-state and non-customer checks
- Waiving overdraft fees as a result of paycheck interruption
- Waiving early withdrawal penalties on time deposits
- Waiving availability restrictions on insurance checks
- Allowing loan customers to defer or skip some payments
- Waiving late fees for credit card and other loan balances due to interruption of mail and/or billing statements or the customer's inability to access funds
- Easing credit card limits and credit terms for new loans
- Delaying delinquency notices to the credit bureaus

Federal and state agencies, in consultation with FinCEN, also encourage depository institutions to **be reasonable in their approach to verifying the identity of individuals temporarily displaced by Hurricane Katrina**. The agencies encourage depository institutions to use non-documentary verification methods for affected customers that may not be able to provide standard identification documents, as permitted under the regulation. A depository institution dealing with new customers from the affected area, may amend its Customer Identification Program immediately and obtain required board approval for program changes as soon as possible. The agencies note that these measures could help customers recover their financial strength. The actions above may not be feasible or desirable for all institutions, and many institutions may provide additional services from those identified.

The Texas Department of Banking will continue to closely monitor the situation and needs of insured depository institutions and their customers and will provide additional guidance, as required, to help address those needs. Institutions in need of assistance in dealing with customers affected by the hurricane should contact their primary regulators.