



FAQs by Experts in Residential Mortgage Banking

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Thursday, March 5, 2020

Pandemic Preparation: Bracing for COVID-19

QUESTION

I am the Chief Risk Officer of a multiplatform lender. We are in 48 states. Over the last few weeks, I have been tasked with setting up an infrastructure to handle the impact of the coronavirus on our company. I am also concerned about our non-online loan officers who have continual face-to-face contact with the public. I read your announcement about getting prepared for the pandemic, which was very informative. However, because we are such a large company, I am challenged in finding a means to go beyond mere training. What else can I do to inform our employees of the actions they should take to protect themselves from the coronavirus?

ANSWER

I appreciate your concern. The coronavirus is no hoax. It is deadly. As I write, China is currently reporting that there are patients who recovered from the coronavirus, tested negative, and were released from medical care into the general population, only to again test positive for the coronavirus, with additional complications developing, such as pneumonia. Currently, the US

VISITORS

249,971

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government has embargoed sharing sufficient, vital, and lifesaving information (i.e., the size and results of tests) – and, what's worse, there are not enough test kits.

We published the announcement, entitled [Coronavirus: CDC Guidance - An Urgent Message](#). I urge everyone to go there and read it! You can print it out, too. The announcement is devoted to the impact of this pandemic on businesses. It has received a huge response. But time will tell if companies take the actions needed to protect themselves!

The US is on the threshold of the first wave of the pandemic. There will be considerable mortality and sickness. Over the next few months, the mortality and morbidity will crest at awful levels, but perhaps nothing like the impact of the second wave, which will commence in Fall and Winter. It is the second wave of such a pandemic that usually is many times more severe than the first wave. Unprepared institutions will incur all manner of risks, adverse knowns and unknowns, and financial setbacks. Now is the time for management to act soberly, calmly, confidently, and deliberately.

During these difficult times, it is important for management to set standards to diffuse the panicking alarmists and people with political agendas who would prey on our fears or dismiss the severity of this worldwide pandemic. The coronavirus is not political. Pay attention to medical professionals and scientists. Politicians who have no medical expertise or think science is a joke or have no expertise specific to the epidemiological conditions and symptoms of the coronavirus are in no position to offer medical or scientific guidance. Ignore them! This virus is not SARS, it's not MERS, and it's not influenza. It is a unique virus with unique characteristics. You should conduct an online search of scientific and medical organizations to compile sufficient information to draft and disseminate a policy document for your employees.

Containment is possible, but it must be implemented immediately!

Here are some actions to consider:

Management: The Senior Management and Board of Directors should meet and draft a statement that recognizes the potential impact of the pandemic on the financial institution and sets forth a directive to put in place various strategies to identify and reduce risk.

Manual: Develop a manual that is provided to employees, containing the outline of your response plan. Obtain a written attestation from employees that they have received and read the manual.

Human Resources: Ensure that HR is fully engaged in handling sick leave and other remedial measures. Be sure that HR has researched and proactively prepared for ADA requirements.

Links: Disseminate links to medical and scientific organizations, such as -

[SEND AN EMAIL](#)

[SCHEDULE AN APPOINTMENT](#)

[WHAT IS A COMPLIANCE TUNE-UP?](#)



- Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 (COVID-19), February 2020
- CDC's COVID-19 Website
- What you need to know about COVID-19
- What to do if you are sick with COVID-19
- Interim US Guidance for Risk Assessment and Public Health Management of Persons with potential coronavirus disease 2019 (COVID-19) exposure in travel-associated or community settings
- Health Alert Network
- Travelers' Health Website

Hotline: Provide a hotline that has a distribution list to Compliance, HR, Legal, and Management.

Committee: Establish a Health Management Committee that is tasked with keeping the company current on the COVID-19 pandemic, its effects, its impact, and the actions needed to contain it. Give the Committee authority to take affirmative actions on behalf of the company.

Disaster Recovery and Business Continuity Plan (DRBC): Draft and ratify a DRBC as soon as possible and continually update the Business Continuity section per the changing demands of the pandemic.

Training: Use medical and scientific personnel to assist in training employees on the ways and means to contain the pandemic. Training should be done online.

Meetings and Travel: Cancel group meetings, conferences, and conventions. Cancel all unnecessary travel where flying is being discouraged by health notices. Group meetings and certain kinds of travel are vectors for spreading coronavirus.

Weekly Online Update: Offer employees a weekly online update, where employees can receive current information about critical news involving the pandemic as well as how to engage with the public, such as in taking face-to-face applications.

Management Message: Management should not sugar-coat the implications of the coronavirus or play politics. Any equivocating will be viewed as disingenuous and could provoke panic. Keep it real! The company may become seriously exposed to a reduction in workforce and revenues. Management should issue periodic statements about what it is doing to mitigate the risks, encourage its employees, and do what it can to support the community it serves.

If you want to discuss your particular situation, you can contact me [HERE](#).



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Chairman & Managing Director
Lenders Compliance Group

at [Thursday, March 05, 2020](#)

Labels: [Business Continuity](#), [Compliance Management System](#), [Confidential Information](#),
[Cybersecurity](#), [Disaster Recovery](#), [Human Resources](#), [Information Security](#)

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