

INSIGHTS

Amid "Stay Home. Work Safe" Orders, Community Banks Remain Open for Business Under Designation as "Critical Infrastructure Sector"

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On March 24, 2020, Harris County Judge Lina Hidalgo, in coordination with Houston Mayor Sylvester Turner, issued a mandatory "Stay Home. Work Safe." order, effective at 11:59 pm March 24, to preserve public health and safety in Harris County in the face of the coronavirus (COVID-19). This follows similar orders issued in Texas's largest counties encompassing Austin, Dallas, Fort Worth and San Antonio.

Each of the orders contain their own list of various specific exceptions to the mandatory shutdown; however, all of the orders contain an exception for the sixteen "critical infrastructure sectors" designated by the National Cybersecurity and Infrastructure Agency (CISA) that may remain open and operational. The Financial Services Sector, which includes community banks, is one of the sixteen exempt "critical infrastructure sectors" designated by CISA. Services covered by the Financial Services Sector include thousands of depository institutions, providers of investment products, insurance companies, other credit and financing organizations, and the providers of the critical financial utilities and services that support these functions. Accordingly, community banks are to remain open and must decide themselves how best to serve their customers while maintaining the safety and health of their employees.

There are not always easy answers in determining how and what operations a financial institution should continue in the wake of government orders that are issued to slow the spread of COVID-19. Each financial institution should consider developing and maintaining a written record of its analysis, including backup information and sources, in the event its actions are challenged by regulatory authorities or others. Financial institutions should recognize that at least some of their operations, employees and customers will be affected by such orders, and be proactive in monitoring the various state and federal regulators that have jurisdiction over the financial institution and the updates from such regulatory bodies. With the understanding that the COVID-19 environment and situation is fluid and unique, financial institutions should attempt to make legally supportable decisions that maintain the safety and health of their employees and customers.

Bracewell's webpage dedicated to legal, regulatory and legislative developments across all practice areas and industries related to COVID-19: [here](#).

Learn more about CISA on [their website](#).

Find out more about federally-designated critical infrastructure sectors [here](#).