



RemoteClimate™ Climate Risk System

Every federal regulator, including all bank regulators and the Securities & Exchange Commission, have expressed concerns about Climate Risk and the need to develop regulations to assess climate-related risk for financial institutions and publicly traded companies. Examples include:

November 7, 2021: Michael J. Hsu (Acting Comptroller of the Currency), issued commentary intended to "help board members promote and accelerate improvements in climate risk management practices at their banks." Hsu offered five questions that he suggests bank board members ask their senior management teams to prepare for financial risks posed by climate.

December 21, 2023: New York Department of Financial Services (NYDFS) finalized guidance on how the banks and mortgage institutions it regulates should manage climate-related financial and operational risks. The Guidance established extensive obligations for New York Institutions, which - even if tailored by the state to be proportionate to size and activities, may create a significant burden. This is particularly true for mortgage bankers and mortgage servicers, which, historically, have not been subject to the same prudential standards and risk management expectations as banks.

The reality is climate risk is reshaping how industries think when it comes to extreme weather. Real assets and infrastructure are threatened by extreme weather. Financial firms face rising loan risks. Energy companies are being asked by their shareholders to adapt to a low carbon economy. New regulations are being introduced or in some industries new laws and regulations have been created regarding Climate Risk. Climate Risk Assessments for financial institutions are in the early stages of development. It is obvious lawmakers and regulators are interested in exploring and developing laws and regulations to require banks and credit unions to develop climate-related risk assessments. For example, the Chairman of the Federal Reserve and various Federal Governors, along with the Comptroller of the Currency, have publicly announced their intention to develop regulations and models to measure and evaluate climate-related risk exposures for banks.

The Challenge

Organizations will be forced to identify the following questions:

- What is our overall exposure to climate change?
- How are different climate-related risks spread among our loan portfolios?
- Which type of climate-related risks are we exposed to?
- How vulnerable are our data centers and other critical services to extreme weather?
- Where are the most significant risk levels?

The signs are there but is your organization ready to engage in these discussions and assess climate risk for your institution? And to make matters more challenging...with no laws and no regulations, how can an organization prepare?

RemoteClimate Solution

Specialized Data Systems has developed a climate risk assessment software solution called RemoteClimate. This cloud-based solution measures an organization's climate risk exposure to any balance sheet item (i.e. real estate properties, loans) for 18 different climate-related natural hazards.

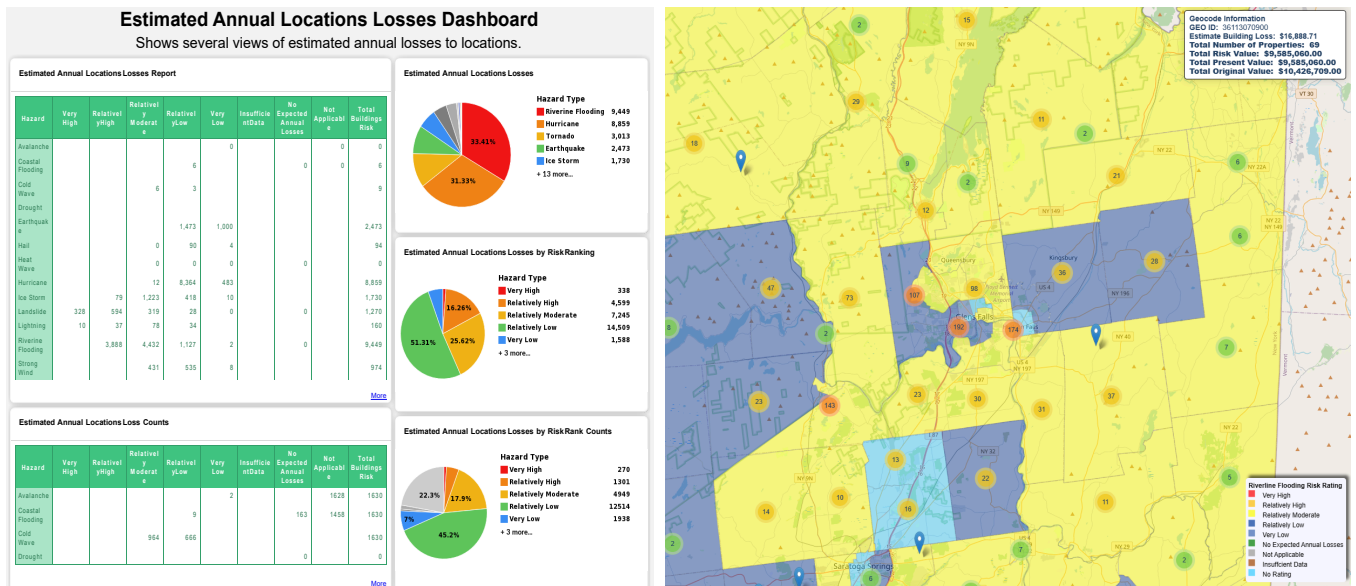
Our proprietary database has extracted voluminous data compiled by the federal government, universities, and technology companies.

RemoteClimate System Features

RemoteClimate is an analytical tool that identifies and measures climate risk exposure based on 18 different weather hazards. Using property addresses (or Census Tract codes), software quantifies climate risk exposure based on extensive history including the number of historical events, frequency of events and severity of events.

Since RemoteClimate maintains a comprehensive database of historical weather hazards for each geographical location in the United States and its territories, the system provides reports and charts showing the estimated losses measured in several ways including:

- Estimated annual losses in dollars or buildings (assets) affected.
- Estimated annual losses adjusted for community resiliency.
- Estimated annual losses adjusted for social vulnerabilities.



About Specialized Data Systems

Specialized Data Systems is a software development company that provides technology solutions. Specialized Data Systems has provided compliance and risk management solutions since 1989.

For more information about RemoteClimate or to schedule a product demonstration, please contact Sales@specializeddata.com or call (888) 408-4335.

