After the Storm
Meeting the economic needs of disaster victims
inda Roberts watched the storm unfold on television from the safety of her office at the Kansas City Fed’s Oklahoma City Branch.

But her well-being didn’t put her mind at ease—a tornado had touched down and made a mile-wide swath of destruction through Moore, a southern suburb of the city.

Roberts’ sons lived outside of Moore, so they were safe. Roberts and another Oklahoma City Branch employee’s home, however, were in the tornado’s path, and “I worried about my two dogs at the sitter,” Roberts said.

On May 20, an EF-5 tornado, with peak winds estimated at 210 mph, killed 23, injured 377 people and caused damage estimated at $2 billion in Moore and the surrounding area.

Instead of going home after the skies had cleared, Roberts stayed overnight with one of her sons. Fortunately, she had access to a change of clothes that she took to the dry cleaners ahead of a conference in Kansas City, and she always keeps an extra pair of heels under her desk.

“I knew it would take hours to get back into the area,” Roberts said. “This time I was more matter of fact about it and decided to wait.”

Roberts had a better idea of what to expect after surviving the 1999 Bridge Creek-Moore tornado. That storm killed 37 people and caused $1 billion in damage.

Two of Roberts’ three sons were with her at a nearby school when that tornado, with winds estimated at 301 mph, ripped a 17-milelong path through suburban Oklahoma City, including Moore.

“It was like a war zone—eerily quiet afterward with only emergency vehicles moving around,” she said.

Although her house was destroyed in 1999, she salvaged some of her family’s belongings.

The same eerie feeling filled the air last May as Roberts and her sons went through streets that had been destroyed. The good news was her dogs survived, her house was still standing and the family of her coworker, Annette Phillips, who lived in Moore, was safe.
But Phillip’s home was destroyed.

“My floor-to-ceiling windows were all gone and I had holes in the ceiling of every room, except the garage, but the structure was intact,” Roberts said.

It was strange seeing her home still standing, she said, because the tornado leveled the homes of her neighbors.

Roberts and her family moved furniture and other belongings to the garage, but several inches of rain in the following days damaged some of those items. Rain also damaged sections of the house’s interior that had been unscathed by the tornado.

“There was so much water they had to gut the entire house,” she said.

Roberts, however, is philosophical about having to start over again.

“There’s something inherently embedded in us that we want our stuff even if it’s broken,” she said. “I don’t know why that is.”

She pauses and adds, “It is what it is. You lose all your stuff, you get it back and then you lose it all again.”

The Oklahoma City community, including employees from the Kansas City Fed, rallied around Roberts, Phillips and the residents of Moore, helping with the cleanup, providing food, necessities and temporary shelter.

“There’s so much goodwill going on; it’s very uplifting,” Roberts said.

But it will take months, perhaps years, before Moore fully recovers.

Meeting immediate needs

Survivors of disasters have urgent needs for cash immediately after a disaster, and it was no different for central Oklahoma.

In response to the disaster, Oklahoma’s State Banking Commissioner worked with

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**SINGLE-FAMILY HOUSING PERMITS**

seasonally adjusted

As in 1999, the recent tornado could provide a boost to construction in coming months

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Source: Federal Reserve Bank of Kansas City
the Kansas City Fed, the state Insurance Commissioner and local banks to meet local needs quickly.

The joint response underscored the value of collaboration following a disaster in helping communities get back on their feet.

Similar efforts spurred the recovery of Greensburg, Kan., after a tornado destroyed a majority of that small town on May 4, 2007, and contributes to the ongoing work in Joplin, Mo., which is still recovering from an EF-5 tornado in 2011.

Government, business and community leaders play a crucial role in a recovery and are a key reason the Community Reinvestment Act supports bank action in a “Designated Disaster Area” under the community development definitions of revitalization and stabilization.

“People need cash for lodging, food and clothes after a disaster,” said Mick Thompson, Oklahoma’s banking commissioner. Thompson contacted local banks, including Bank of Oklahoma, BancFirst and Arvest, to provide mobile ATMs to tornado victims. The first ATM was operational within 36 hours of the disaster.

Thompson worked with Bob Toler, assistant vice president over bank supervision at the Kansas City Fed’s Oklahoma City Branch, to ensure that sufficient cash would be available to keep the ATMs stocked.

Collaboration between bankers and the Oklahoma Department of Insurance also made it possible for survivors to get insurance checks honored at local banks, even though many people had lost important pieces of identification.

BancFirst, which oversees accounts for the Moore Public Schools, worked with other banks and regulators to provide teachers with provisional credit while the school district recovered payroll data from its damaged computer servers.

First American Bank sponsored community meetings for citizens and small business owners, bringing in the Small Business Administration, the American Red Cross, the city of Moore, the Chamber of Commerce and the Oklahoma Small Business Development Center.

In addition, lenders suspended foreclosure actions and waived late fees. Wells Fargo donated $100,000 to the American Red Cross and established a mobile hub to assist customers with on-site home recovery efforts.

“This cooperation is the way things should work,” Thompson said. “Local control allows us to be able to do something immediately.”

Lessons learned

The collaborative response in Moore was successful in part because of lessons learned from earlier disasters in the Federal Reserve’s Tenth District. After Greensburg, regulators noted a need for emergency planning that covered a wide range of threats, including disruptions and outages to bank data systems.

A 2008 study by Kansas City Fed economists found that disaster recovery plans developed by Greensburg’s three banks were important to restoring services to customers in the days immediately after the tornado.

For example, Greensburg State Bank quickly implemented a disaster recovery plan that included contracting for a temporary facility, complete with a teller counter, drive-up window, vault, two offices, a bookkeeping area and a generator.

In Joplin, bankers joined with other community leaders to begin the “renaissance” of that city, including Rebuild Joplin, a broad-based program that focuses on residential needs, said Clive Veri, regional president for Commerce Bank.

“We already had avenues of communication set up,” Veri said. “So when the disaster hit, we all rolled up our sleeves and relied on those relationships to get done what needed to get done.”

Besides partnering on loan funds, Commerce and other local banks counseled consumers and worked with Habitat for
Humanity to build houses.

Yaira Velez, a consumer affairs manager at the Kansas City Fed, explained there are many opportunities under the Community Reinvestment Act for bankers to assist their customers following a disaster. Velez listed services such as mobile banking, small dollar access to capital, easing credit terms for borrowers and temporarily waiving payments and fees. Banks also can consider purchasing city bonds targeted for rebuilding infrastructure.

The key, Velez said, is being responsive to the needs of individuals, businesses and the community.

**Keeping the doors open**

One of four businesses that close due to a natural disaster never reopens, according to the Insurance Institute for Home and Business Safety. So, while medical care, safety and reconstruction are often the first priorities after a disaster, restoring a community’s economic vitality also is an essential long-term goal of the recovery process.

Economic development and small business support organizations, city officials, chambers of commerce and federal assistance agencies can play key roles by providing pre-disaster training and post-disaster support, and connecting businesses to credit, capital and technical assistance.

The Oklahoma Department of Commerce worked with local chambers of commerce to form the Greater Oklahoma City Back to Business Initiative. The main goal was to assess the immediate needs of the estimated 2,100 businesses within a one-mile wide path of the tornado.
The initiative created a website where business owners may request financial and technical assistance. In many cases, businesses were referred by Federal Emergency Management Agency workers to Small Business Administration Disaster Recovery Centers, where owners were able to apply for low interest loans.

The initiative echoed cooperative efforts in Joplin, Mo., where the Joplin Area Chamber of Commerce helped the Missouri Department of Economic Development promote state-wide tax incentives to spur donations to the tornado recovery of that city’s businesses.

Even a year after Hurricane Katrina, one of the nation’s worst disasters, a Harris International Poll reported that only one out of three business owners said they were prepared to deal with a disaster.

Natural disasters will always pose challenges for business owners. Experts, however, say economic development agencies can help business owners become better prepared, enabling a faster and stronger economic recovery for the entire community.

The future

Roberts said she will remain in Moore.

“I’m rebuilding in that spot; insurance made that decision for me, but this is the place I chose and I’m staying,” she said.

But she knows it’s just a house, and the objects and items she’s collected over the years are just things. Although she experienced some of the same emotions she had in 1999, May’s event was different.

“We take so much for granted,” she said. “It does make you appreciate what you have—friends, family, coworkers and the community.”

Being able to work and perform normal daily routines has helped her through this time.

“It’s a pain, but if you can bring back some normalcy into your life, it helps,” she said.

Contractors plan to have Robert’s house ready to move in at the end of the year. For now, she’s renting part of a house from a friend that even has a small yard for her dogs.

“I’ve built three homes in my lifetime,” she said. “I can’t say this will be the last one because disasters happen all time, in all kinds of places, but I hope this is it.”

Further guidance on disaster responses and other regulation information for institutions regulated by the Federal Reserve is at: www.federalreserve.gov/bankinforeg/srletters/sr1306.htm. For more assistance, banks may contact their regulator.

To learn more about the Greater Oklahoma City Back to Business Initiative, go to: www.okcchamber.com

“Master plan: Banks can learn from Greensburg’s Recovery”
By Kenneth Spong with Eric Robbins
www.bit.ly/tenmasterplan

Comments/questions are welcome and should be sent to teneditors@kc.frb.org.