



ABA News to Use

Keeping banking's frontline personnel informed

Preparing for Emergencies

As the 2006 hurricane season begins, an American Bankers Association task force issued recommendations taken from lessons learned since Katrina.

To speed recovery efforts in future disasters, these policy recommendations have been shared with the Treasury Department, Department of Homeland Security, Small Business Administration, bank regulatory agencies and other agencies involved in emergency preparedness issues.

“Banks play a vital role in the recovery of any community hit by disaster,” said Austin Roberts, chairman of the ABA Emergency Preparedness Task Force. “From cashing checks to borrowing money, people turn to their bank when picking up the pieces of their lives,” he said. “Banks have a proven record of preparedness, and these recommendations will help us help our customers and communities more effectively.”

Roberts also is president and CEO of Bank of Lancaster, Kilmarnock, Va.

Among the ABA task force’s policy recommendations:

- Improve emergency communications. Make it easier for more banks to get priority service through the Government Emergency Telecommunications Service and Wireless Priority Service so that data and voice communications – such as ATM and regulatory messages – can continue unimpeded.
- Streamline the distribution of financial assistance. Help reduce fraud by giving banks an electronic file with check numbers and their amounts; if these numbers do not match, banks will know not to cash them. Develop uniform debit card guidelines so that victims can use them immediately for goods and services rather than waiting to cash a check.
- Speed the delivery of governmental disaster loans. The SBA should integrate financial institutions more fully into the disaster lending process. Allowing financial institutions to directly offer disaster loans in a manner similar to the 7(a) program is the most effective way to get the largest amount of disaster lending into the greatest number of victims’ hands.
- Develop a consistent governmental response. Repeat and replicate the effective response of the bank regulatory agencies. They minimized regulatory impediments -- such as mandatory customer identification guidelines and other reporting requirements -- so that bankers could meet customers’ cash and financial needs. Their rapid response to Hurricane Katrina can serve as a model to encourage other agencies to provide such flexibility in the future.

- Foster the development of regional coalitions to help financial institutions serve their communities. Several regions and municipalities have established emergency preparedness networks that formally link financial services with federal, state and local emergency management agencies. This should be encouraged nationwide.
- Leverage the alliance between state bankers associations and the ABA. State bankers associations often serve as the central point of contact for bankers and their state banking officials during an emergency. The government should tap into this network and utilize ABA's alliance as a bridge between local and national recovery efforts during a disaster.

For information about ABA News to Use, or to suggest subjects for future articles, please contact ABA's [Brian Nixon](#).