



## When Disaster Strikes: How Credit Unions Help Communities Prepare and Recover

Extreme weather doesn't follow a schedule. Wildfires, floods, tornadoes, and hurricanes arrive with little warning, leaving families with damaged homes, unexpected costs, and a long road to recovery.

Credit unions support members through it all—before disaster strikes, in the critical hours after, and during the months-long rebuilding process. It's what they've always done as institutions rooted in the cooperative principle that neighbors help neighbors. Now, as federal disaster resources face cuts and delays, that mission matters more than ever.

### Preparing Before the Storm

The best disaster response begins before anything happens. Credit unions help members build financial resilience through emergency savings programs and financial preparedness workshops, covering everything from creating emergency kits to safely storing important documents.

With [60% of U.S. credit unions](#) located in areas prone to extreme weather, these communities aren't preparing for hypothetical scenarios, but for events they know will happen.

### Showing Up When It Matters Most

When disaster hits, credit unions keep running. They reopen branches during evacuations, operate from parking lots when buildings are damaged, and deploy mobile units so neighbors can still access cash and critical services.

After Typhoon Halong struck Alaska in October 2025, [Credit Union 1 \(CU1\)](#) joined forces with the American Red Cross to deliver winter gear, baby supplies, bedding, and hygiene kits to families hit hardest. CU1 employees volunteered on the ground, coordinating donations statewide and helping Alaskans rebuild household by household.

In California, Redwood Credit Union's Community Fund has provided wildfire relief since 2015, delivering [\\$41,000 in direct support](#) after the 2024 Boyles Fire destroyed at least 35 homes in Lake County. Following the 2017 Tubbs Fire, Redwood raised and distributed over



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\$32 million in just four months. When the devastating Los Angeles wildfires struck in 2025, [SchoolsFirst Federal Credit Union](#) supported members with emergency loans, deferred payments, and one-on-one recovery help.

On the East Coast, [FourLeaf Federal Credit Union](#) has a long history of hurricane response. After Hurricane Sandy devastated Long Island in 2012, [FourLeaf \(formerly Bethpage\) raised over \\$104,000](#) for victims and made substantial donations to the American Red Cross.

The immediate crisis passes, but recovery takes months. Insurance claims move slowly, contractors are booked, and bills pile up. Credit unions help members navigate this gap with skip-a-payment options, fee waivers, and low-interest disaster recovery loans that help homeowners and small businesses start repairs before insurance settlements arrive.

### **When Federal Support Falls Short**

As extreme weather events become more frequent, federal disaster support faces serious constraints. FEMA is [cutting thousands of workers](#) this year, with some divisions losing up to half their workforce. Federal disaster aid has always been essential, but it's also slow and often insufficient for middle-income families who face devastating losses but don't qualify for maximum assistance.

Credit unions fill this gap because they're structured to respond locally. They know members by name, make decisions at the community level, employ staff who belong to the same impacted community and can provide immediate access to funds without bureaucratic delays. As not-for-profit cooperatives owned by their members, credit unions return more than \$37 billion annually through lower fees and better rates. When disaster strikes, that same cooperative structure means that supporting members' recovery also supports the institution's recovery.

Extreme weather isn't slowing down, and federal resources are shrinking. But credit unions are proving that local institutions with deep community roots can provide support that helps families not just survive disasters, but recover from them, offering preparedness tools that mitigate impact, immediate emergency aid, and flexible recovery support that lasts.

**Want to Learn More?**



Backbone is a national coalition of credit unions strengthening financial well-being through community. From disaster preparedness to emergency recovery support, we highlight how credit unions help everyday Americans in their own communities navigate uncertainty and rebuild after a crisis.

Reach out to [hello@backbone.us](mailto:hello@backbone.us) or visit [backbone.us](https://backbone.us) to learn more.