

The Charlotte Observer

TUESDAY, AUGUST 30, 2005

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DAVE MARTIN - ASSOCIATED PRESS PHOTO

SHELTER SCARCE: Debris from a fallen building covers several vehicles in downtown New Orleans after Hurricane Katrina battered the Gulf Coast on Monday.



DANNY VOWELL - KENTUCKY NEW ERA VIA AP

INLAND IMPACT: Family members of a missing girl console each other in Hopkinsville, Ky. An unidentified girl was swept away by the current near a flooded culvert.



MICHAEL SPOONEYBARGER - TAMPA TRIBUNE VIA AP

HIGH WATER IMPEDES HELP: A Red Cross truck sits flooded with other vehicles in front of a hotel just off Interstate 10 in Pascagoula, Miss., as Katrina batters the area.

COAST ENGULFED

DEATH TOLL RISES AS RESCUES BEGIN

BY MARC CAPUTO, DAVID OVALLE, ERIKA BOLSTAD AND MARTIN MERZER
Knight Ridder

NEW ORLEANS — Buildings collapsed, floods inundated thousands of homes and shell-shocked, waterlogged residents retreated to attics and wind-blown roofs Monday as one of the most sweeping hurricanes of modern times drilled through the upper Gulf Coast.

Jim Pollard, spokesman for the Harrison County emergency operations center, told The Associated Press that 50 people were killed by Hurricane Katrina in his county, with the bulk of the deaths at an apartment complex in Biloxi. Three other people were killed by falling trees in Mississippi, and two died in a traffic accident in Alabama, authorities said.

The casualty toll seemed certain to mount as conditions improved and rescue workers in boats and helicopters worked through the night, searching for victims.

Tens of thousands of people will need temporary housing for months, Michael Brown, director of the Federal Emergency Management Agency, said Monday night.

"I've never been so scared," one of the newly displaced, Jean Jenkins of Moss Point, Miss., said after she, her husband, their two dogs and a cat spent seven hours in the attic of their one-story house before the water receded just enough for them to leave.

SEE KATRINA | 7A



ERIC GAY - ASSOCIATED PRESS PHOTO

Bryan Vernon and Dorothy Bell are rescued from their rooftop after Hurricane Katrina hit Monday, causing flooding in their New Orleans neighborhood. Officials had called for a mandatory evacuation of the city, but many residents remained in the city. Now, rescuers struggle through floodwaters to reach the stranded.

Unprecedented damage

4A | The reconstruction after Katrina likely will be the biggest recovery program in U.S. history, dwarfing 1992's Hurricane Andrew and 2001's terror attacks, experts say.

Rain inside New Orleans shelter

5A | Katrina rips two holes in the curved roof of the Louisiana Superdome, letting in rain as thousands of storm refugees huddle inside.

N.C. mountains may need help, too

8A | Carolinas emergency agencies balanced requests for help on the Gulf Coast with concern that Katrina could dump 3 inches or more of rain in the N.C. mountains.

Paying for storm at gas pumps

Business | Motorists head to the pumps after getting word that gas prices might rise sharply because Katrina forced refineries to close. Damage tallies for oil operations could take days.

ON WWW.CHARLOTTE.COM

View slide shows of storm damage and check updated forecasts and tracking maps.



Woman, family separated: 'I think they're going to drown'

People, safe in shelters, wonder about hundreds of stranded loved ones

BY SCOTT GOLD
Los Angeles Times

NEW ORLEANS — The phone call lasted just long enough to break Bridgette Medley's heart.

Medley, her husband and her 3-year-old daughter sought shelter from Hurricane Katrina at a downtown hotel Monday. Water seeped through the ceiling and wind made the building shudder as they slept on the hard floor of a ballroom. But they were safe.

Her siblings and parents were not. Like about 50,000 other residents of the city, they had ignored the mayor's mandatory evacuation order and elected to

ride out the storm at the family home in the Eighth Ward, a neighborhood of shotgun houses, railroad tracks and industrial canals on the city's east side.

By 7 a.m., the water started rising. Medley's siblings and parents pulled down the stairs to the attic and walked up. At 7:57 a.m., Medley's 48-year-old sister, Stephany Johnson, managed to get

SEE RESCUE | 5A

Observer Investigation | LAST OF A THREE PART SERIES

Mortgage industry outgrows federal regulations

Decades-old laws are increasingly obsolete

BY BINYAMIN APPELBAUM
Staff Writer

Savings & Loans. Remember those? Federal laws that govern mortgage lending mostly were writ-

ten in the 1970s — a time when small, local S&Ls made the majority of home purchase loans.

Three decades later, the industry has changed dramatically. But the basic regulatory framework has not. As a result, a growing share of the lending process is not regulated by the federal government.

An Observer study of home purchase lending found blacks were four times more likely than

whites to receive a high interest rate last year. Many of the loans came from companies that emerged over the last decade to serve customers who don't get loans from banks.

Members of Congress contacted by the Observer on Monday said the key now is determining whether race plays a role in loan pricing.

"Senator Dole believes strongly that mortgages must be

priced on risk, not on race," said Katie Norman, a spokesperson for N.C. Republican Elizabeth Dole. She said Dole planned to "look closely" at a much-anticipated report on the issue by the Federal Reserve Board.

The report on national lending data, including interest-rate pricing for the first time, will be released Sept. 12, said Glenn Canner, a senior adviser to the Fed.

In advance of the report, the

Observer analyzed home purchase data from 25 of the nation's largest lenders.

Critics say the disparities found in the study show federal law increasingly fails to motivate market-rate lenders to make more loans in minority neighborhoods.

They also are concerned the new high-rate industry, which serves minority neighborhoods

SEE LOANS | 9A

THE HARD TRUTH IN LENDING

MAKING LENDING BETTER
9A | Experts give suggestions on how to improve home loans.

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1D | N.C. residents can get them now.

ON WWW.CHARLOTTE.COM/business
Read parts 1 and 2 of this series, and explore a database of home mortgage patterns for 25 lenders.

Weather

WET: High: 83. Low: 72. Showers through tonight, ending early Wednesday. Full forecast, 6B

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