

Disaster assistance process overview

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Disaster assistance process overview

A guide through the post-disaster recovery process.



At SBP, our goal is to shorten recovery time and eliminate unnecessary suffering by helping those affected by disasters to rebuild efficiently.

This guide is one way we can help. We've outlined key sources of financial assistance, technical details of the application process, and steps you'll take to move efficiently through the process. Having been involved in many large-scale disaster recoveries, we will also share tips and advice we've learned along the way.

Maximizing your disaster assistance can seem a complicated process to undertake during an already difficult time. Understanding the programs and engaging proactively can help you access the maximum assistance you are eligible for. We hope this guide helps you take full advantage of the help that's available, and speeds you along the road to a predictable recovery.

KEY ASSISTANCE SOURCES

HOMEOWNERS/RENTERS INSURANCE

and other relevant types of insurance

If you have homeowners or renters insurance, this provides you funds to repair or replace property damaged as a result of covered perils during a disaster. Additional types of insurance, such as auto or other peril-specific policies like separate fire or earthquake coverage, may also be relevant to your recovery.

NFIP

National Flood Insurance Program

This federal program provides flood insurance protection to participating property owners, renters and businesses.

SBA

Small Business Administration

Disaster Home and Property Loan Program

SBA, in addition to serving businesses, offers disaster loans that qualified homeowners and renters can use to repair or replace homes and damaged personal property.

FEMA

Federal Emergency Management Agency

The federal agency that assists state and local governments in carrying out their responsibilities to aid citizens after disaster. FEMA administers many programs that support public and household recovery, including:

Individuals and Households Program (IHP)

IHP provides financial aid and/or direct services to eligible individuals and households affected by disaster who have necessary expenses and serious needs not covered by insurance. It may include:

- *Housing Assistance*
Funds and/or direct housing services for unmet disaster-caused housing needs.
- *Other Needs Assistance (ONA)*
Funds for other eligible, unmet disaster-caused expenses and serious needs. Only applicants who do not qualify for a loan from the SBA may be eligible for certain types of ONA.

TIPS

YOU ARE YOUR OWN BEST ADVOCATE

Be as detailed as possible about all of your disaster losses. You cannot get assistance for losses and needs that your insurance company, FEMA or SBA do not know about.

KNOW YOU CAN APPEAL

If you believe the amount suggested by the insurance adjuster is too low based on your policy; if you disagree with or do not understand a decision made about your federal disaster assistance eligibility—you can and should appeal.

DOCUMENT EVERYTHING

Take pictures of damages, keep copies of all forms and communications. Sometimes things can get lost in the shuffle during the recovery process and it is extremely helpful to have backups.

You've been through a disaster. Now what?

Three major funding sources—insurance, FEMA assistance grants and SBA disaster loans—are where to start for financial help.

After contacting your insurance provider(s), register right away with FEMA for disaster assistance.

INSURANCE

DO YOU HAVE HOMEOWNERS, RENTERS, FLOOD (NFIP), OR OTHER INSURANCE COVERAGE FOR YOUR DISASTER-CAUSED LOSSES?

YES

NO

Go directly to FEMA to register for disaster assistance.

Homeowners/Renters Insurance
and other types of relevant insurance
 Document damage covered by your policy
 Contact your agent/provider ASAP
 Get an inspection
 Receive settlement amount offer

Flood (NFIP) Insurance
 Document damage covered by your policy
 Call your agent ASAP (ideally within 10 days)
 Get an inspection
 Receive settlement amount offer

SATISFIED WITH SETTLEMENT OFFER?

YES

NO

YES

NO

Accept and apply funds to your recovery as appropriate.

You can negotiate.

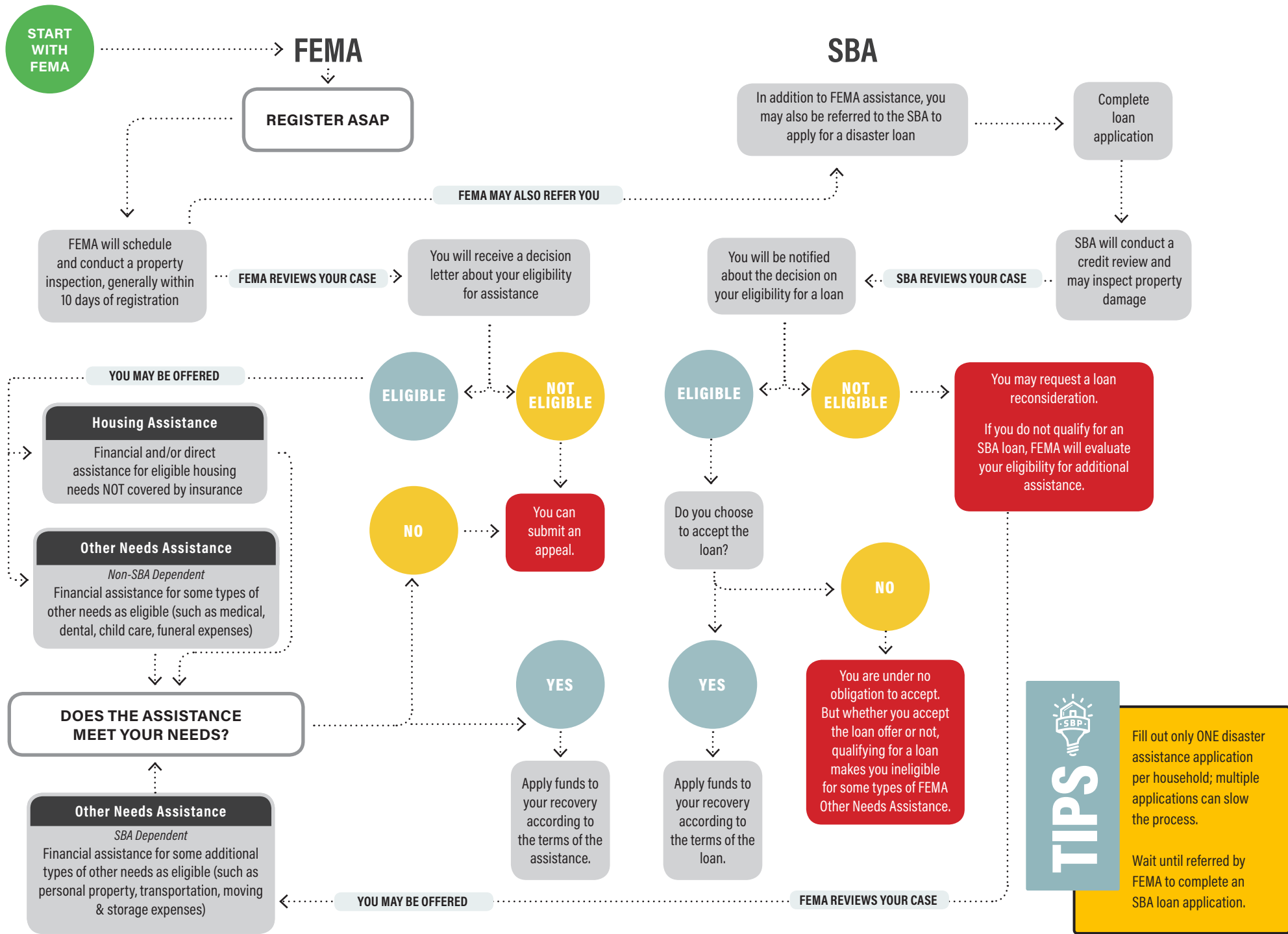
Accept and apply funds to your recovery as appropriate.

You can negotiate OR file an appeal to FEMA.

TIPS

Everyone impacted by the disaster should register with FEMA, whether or not you have insurance.

If you do have insurance, you will work through the insurance claims and federal assistance processes at the same time.



Funding Sources

If you've been impacted by a major disaster, these are three main funding sources that may help your recovery.

INSURANCE

Homeowners/Renters, California FAIR, Flood (NFIP), Auto, Other Types

If you have insurance (homeowners/renters, flood, auto, other types), filing a claim for covered losses is your first resource for funds to repair or replace damaged property and address other covered disaster-related expenses. **Federal disaster assistance legally cannot provide funds for disaster losses that are covered by insurance.**

WHAT IT COVERS

Depending on the terms and limits of your policies:

- Funds to repair/replace covered losses to home and property
- Funds for additional living expenses if you are displaced from your home for repairs
- Other disaster-related needs as covered in your policy

FEMA

Individuals & Households Program (IHP)

FEMA's Individuals & Households Program (IHP) provides financial help and/or direct assistance to eligible individuals and households for disaster-caused needs not covered by insurance. Even if you do not have insurance, you may be eligible for assistance. Some types of assistance are dependent on the ability to qualify for a loan from the SBA. Note that IHP is designed to help meet essential needs and bring homes back to a safe, livable condition, not a pre-disaster condition. **All households impacted by the disaster should register with FEMA.**

WHAT IT COVERS

Eligible disaster-caused needs NOT covered by insurance (up to \$34K in total). May include:

Housing Assistance

- Financial assistance (rental assistance, lodging expenses, home repair or replacement)
- Direct housing services

Other Needs Assistance

- Non-SBA dependent: assistance for medical, dental, childcare, funeral and other eligible misc. expenses
- SBA-dependent: assistance for repair/replacement of personal property, vehicle and transportation costs, and moving and storage expenses

SBA

Disaster Loans - Home & Property

The Small Business Administration (SBA)'s Disaster Home & Property Loans program provides assistance to eligible homeowners and renters in a declared disaster area in the form of low-interest, long-term loans for losses not fully covered by insurance or other means. **You do not need to own a business--loans are available for homeowners and renters.**

WHAT IT COVERS

Low interest, long term loan funds to help:

- Repair/replace damaged primary residence (up to \$200K)
- Repair/replace damaged personal property (up to \$40K)

Being evaluated for SBA loan eligibility is a necessary step in the process to determine if you are eligible for some other types of disaster assistance.

ADDITIONAL PROGRAMS

State & Local Disaster Assistance Programs

State and local governments may also offer various financial and direct disaster assistance programs.

CALIFORNIA WILDFIRE RECOVERY

For information about state and local resources that may be available to support recovery, visit:

- www.caloes.ca.gov/For-Individuals-Families/Individual-Assistance
- <http://wildfirerecovery.org>

Getting Disaster Assistance:

Register for FEMA Individuals & Households Program Assistance



DOCUMENT & REGISTER

HOW TO REGISTER

Online: www.disasterassistance.gov

By phone: 1-800-621-FEMA (3362)

In person at a Disaster Recovery Center¹

REQUIRED REGISTRATION INFORMATION

- Social security number
- Contact information (address and phone for the damaged property & your current location)
- Financial information (total annual household pre-tax income, at the time of the disaster)
- Insurance information (types of coverages you have)
- Damage information (description of losses)
- Banking information (bank name, account type, account & routing number)



KEY TERMS

Presidential Disaster Declaration:

Dictates an area that qualifies for emergency federal governmental aid as a result of a catastrophe.

THE BASICS

For more information, see FEMA's *Individuals and Households Program Fact Sheet*²

FEMA's Individuals & Households Program (IHP) provides financial help and/or direct assistance to individuals and families for eligible disaster-caused needs not covered by insurance. Even if you do not have insurance, you may be eligible for assistance. Some types of assistance are dependent on the ability to qualify for a loan from the SBA.

TYPES OF ASSISTANCE MAY INCLUDE:

Housing

- Financial assistance (rental assistance, lodging expenses reimbursement, home repair or replacement assistance)
- Direct housing services (manufactured housing units, multi-family lease and repair, permanent or semi-permanent housing construction)

Other Needs Assistance

- Non-SBA dependent: assistance for medical, dental, childcare, funeral and other eligible misc. expenses
- SBA-dependent: assistance for repair/replacement of personal property, vehicle and transportation costs, and moving and storage expenses

APPLICANT ELIGIBILITY:

- U.S. citizen, non-citizen national, or qualified alien
- FEMA is able to verify identity
- Disaster-caused needs cannot be met by insurance or other forms of assistance
- Necessary expenses and serious needs are a direct result of the declared disaster

You can begin the application process as soon as the President makes a major disaster declaration for your state (*check www.disasterassistance.gov to see if a disaster has been declared for your area*). This application starts the consideration process for all types of FEMA assistance for which you are eligible—you do not need to create multiple applications.

Households may receive multiple types of assistance; FEMA will determine which are appropriate. If you disagree with FEMA's decision, you can appeal.

¹FEMA Disaster Recovery Center Locator: <https://gateway.fema.gov/ESF6/DRCLocator>

²FEMA's *Individuals and Households Program Fact Sheet*: www.fema.gov/ko/media-library/assets/documents/24945

Getting Disaster Assistance:

Register for FEMA Individuals & Households Program Assistance (Continued)

Applying for federal disaster assistance is a process with several steps, and many times successful applications involve an initial denial as part of the process. If you are denied, it does not always mean that you are not eligible for or will not get assistance. Often, more information or corrected language is needed for your application to be considered.

FEMA considers a denial to be the start of a conversation between themselves and the applicant. Do not be discouraged if you receive a denial during the process—appeals are part of the process and you may appeal ANY decision.

THE FINE PRINT

By law, FEMA cannot provide money to individuals or households for losses that are covered by insurance. You have up to 12 months from the date you registered with FEMA to submit your insurance information for review.

Housing repair/replacement assistance is designed to bring homes to a livable condition, not to bring them back to pre-disaster condition.

Only applicants who do not qualify for a loan from the SBA may be eligible for certain types of Other Needs Assistance (repair/replacement of personal property, vehicle and transportation, and moving and storage expenses) (see *SBA Disaster Loans section*).

IHP assistance is limited to a maximum of \$34K and a period of 18 months following the disaster declaration.

If you received financial assistance from FEMA in a past disaster and live in a Special Flood Hazard Area (SFHA), you are required to purchase and maintain flood insurance in order to be eligible for federal disaster assistance in the future.

DAMAGE INSPECTION & NOTIFICATION PROCESS

Documentation & Information to Have for Your Inspection

- Proof of ownership (homeowners only) and of primary residence (tax bill, mortgage statement, deed, lease, etc.)
- Proof you/your household occupied the home at the time of the disaster (utility bill, phone bill, pay stub, etc)
- Your family composition & how many lived in the home at the time of disaster
- Photo ID & contact information (phone & current mailing address)
- Insurance information (including auto)
- List of disaster-related damages--walk through all with inspector (*damaged caused by something other than the disaster will not be eligible for assistance*)

1. If you have insurance, contact your insurance agent(s) first. Then register with FEMA as soon as possible. You must register within 60 days of the disaster declaration.

2. An inspection date and time will be set for your home, generally within 7-10 days (*if you have insurance that may cover the damages, you may have to provide an insurance decision letter to FEMA first*). The inspector will document your damages onsite and provide you with a FEMA case number that you can use to track your case.

DO NOT MISS YOUR INSPECTION. If you can't be there, call and re-



schedule your appointment or ask another person age 18 or older to stand in for you. If someone is standing in for you, they should also have a letter or email from the homeowner that states why he/she cannot be on hand, how they know you, signature with date, and contact information.

3. Generally within about 10 days of the inspector's visit, you will receive a notification letter from FEMA:

- If FEMA determines you are eligible for assistance, you will receive check or transfer to your bank account, and a letter will explain what the funds can be used for (*use funds only as directed*).
- If FEMA needs more information from you, the letter will indicate what you need to submit.
- If FEMA determines you are eligible, the letter will give the reason for the decision and your rights to appeal.
- If referred to the SBA for the SBA Disaster Loans Program, you may receive an SBA application or the SBA may contact you. It is important to complete the loan application; being evaluated for SBA loan eligibility is a necessary step in the process to determine if you may be eligible for other types of assistance.

For more information, visit: www.fema.gov/grants-assistance-programs-individuals

Getting Disaster Assistance:

Register for FEMA Individuals & Households Program Assistance (Continued)



TIPS

If you have disaster-caused damages but your county has not been declared, continue to check disasterassistance.gov as it may be added in the future. You can also contact your state emergency management office to see if other assistance is being offered.

Inspectors make many, many house visits every day. Anything you can do to make their job easier will be to your benefit. Inspections typically take between 20-45 mins.

- ❑ Make sure your house number is clearly visible from the road.
- ❑ Provide good contact information. If you do not have a phone, give your neighbor's phone number or the number of someone who can alert you if the inspector is trying to reach you.
- ❑ Take photos of all damages. The inspector's photos will not be as comprehensive as yours. These photos may be useful in the initial decision or in a subsequent appeal.
- ❑ Remember that no decision will be made onsite.

If FEMA does not know about it, they cannot reimburse you for it. Discuss all your losses and concerns with your inspector, not just house damages.

Depending on your situation, some types of disaster-caused losses that may be eligible for Other Needs Assistance may include:

- ❑ Vehicle or means of transportation
- ❑ Appliances
- ❑ Medical or dental expenses
- ❑ Work-related tools or supplies

Protect yourself from disaster-related fraud.

- ❑ FEMA and SBA staff NEVER ask for money from those affected by a disaster.
- ❑ Beware of anyone claiming to be from FEMA or the state who asks for your Social Security number, bank account number or other sensitive information. If you have any doubts, do not give out information and file a report with the police.
- ❑ If you have inspectors come to your home, be sure to ask for identification—federal and state representatives carry photo ID.
- ❑ If you suspect fraud, call the Disaster Fraud Hotline at 866-720-5721.

Getting Disaster Assistance:

Appealing a FEMA Disaster Assistance Decision

APPEAL PROCESS

Be prepared to be very engaged in your FEMA application process. Follow up and call proactively if you have unmet needs, outstanding questions or are awaiting a decision.

If you are denied, or have unmet needs your assistance does not cover, know that you may appeal any decision FEMA makes about what types and amounts of disaster assistance you qualify for.

FEMA considers a denial to be the start of conversation between FEMA and the applicant, not the end of the process. A denial doesn't necessarily mean that you aren't eligible or won't receive assistance; often more or corrected information is what's needed for FEMA to make a determination. Frequently this is proof of a denied claim or insufficient funds from your insurance company.

Federal disaster assistance can be an extremely valuable tool for your recovery; proactively engaging with the process can help you access the fullest extent of the resources for which you are eligible.

BEFORE YOU APPEAL

Contact your insurance company. By law FEMA cannot provide money for losses that are covered by insurance. This means FEMA cannot consider an application without the appropriate insurance information.

Maintain several copies of all documents. Documents get lost easily. Keep duplicates in the event you need to send them again.

Request your file from FEMA.¹ This will show what information they used to make their decision.

Be timely. You have 60 days from the date of decision to respond. Work within this timeline.

Review the Presidential Disaster Declaration Announcement. Refer to the language used in the declaration when describing how the event damaged your property in your application or appeal. You can find it at www.fema.gov/disasters or www.disasterassistance.gov.

National Disaster Legal Aid has an interactive FEMA appeals tool² that will generate a FEMA file request and appeal letter for you based on your answers to a series of questions. If not using the interactive tool, following are tips on what to include when writing your appeal letter.

What to Include in Your Appeal:

1. Letter to FEMA
 - FEMA registration number AND Presidential Disaster Number
 - Last four digits of SSN
 - Birth date & place of birth
 - Full name on all pages
 - Address of property affected by the disaster
 - Contact information
 - Complete details about concerns and justification for the appeal
 - Signature, date
 - *If this letter is written by someone other than the applicant, include the writer's name, address, phone number, and relation to the applicant, plus a signed statement from the applicant giving their consent. The writer must also sign the letter.
2. Copy of State ID
3. Documentation to verify justification for appeal, such as:
 - 2 – 3 Contractor estimates (copies): on letterhead, signed by contractor, specifying disaster-caused damages; line by line breakdown of damages and repair costs; verifiable phone number

KEEP IN MIND

Use the language of the Presidential Disaster Declaration in your appeal letter. For example, if the disaster event that caused the damage is a flood, for each instance of damage in your letter, very clearly state how the flood caused it.

Make sure all information is correct. Check for spelling errors.

Make sure the name of the applicant is listed correctly on all supporting documents. For example, having your married name on your mortgage and your birth name on your ID could create challenges in processing your application.

¹For information on how to request your file, visit www.fema.gov/individual-disaster-assistance

²National Disaster Legal Aid FEMA Appeal Tool: www.disasterlegalaid.org/legalhelp/item.5466-Appeal_Your_FEMA_Decision

Getting Disaster Assistance:

Appealing a FEMA Disaster Assistance Decision (Continued)

SAMPLE APPEAL LETTER

USE: Sample letter can be used to appeal a FEMA decision regarding your application for federal assistance. A FEMA decision appeal must be in writing and postmarked within 60 days of the decision letter's date.

SAMPLE: Letter of Appeal

Name of Applicant
Address of Applicant
FEMA Registration Number:

Date:

Mail to: FEMA-Individuals and
Households Programs National
Processing Service Center
P. O. Box 10055
Hyattsville, MD 20782-7055
Fax to: (800) 827-8112

Attention: FEMA – Individuals and Households Programs

Dear FEMA:

This letter is to appeal your decision and request a review of my case. My appeal relates to (check all that apply):

- Eligibility
- The amount or type of assistance
- Late application
- Request to return money
- Continued assistance

[Clearly explain in writing why the decision about the amount or type of assistance you received is not correct. For example--

- Damage repair costs are more than what insurance will cover
- Additional disaster-caused damage has since been identified that was missed during the initial inspection
- Contractors estimate repair costs to be higher than initial FEMA assistance

Describe how the damages were specifically caused by the disaster, and attach supporting documentation--contractor estimates, photos, etc.--to verify the reason for your appeal. Include copy of state-issued ID].

Thank you for your consideration.

Name of Applicant
Signature of Applicant

AFTER YOU APPEAL

Maintain copies of your original documents in case you need to re-submit at a later point.

Be proactive in following up and asking questions. Prepare to invest time and energy in the process.

Keep records of your communications with FEMA officials as well as their names and contact information; this can be helpful for follow up.

Go to places or events where FEMA staff are present. After a disaster, FEMA will often set up Disaster Recovery Centers in public locations. Working through the application and appeal process with them in person can be very helpful.

Getting Disaster Assistance:

Applying for SBA Disaster Home & Property Loans



DOCUMENT & APPLY

HOW TO APPLY

Online: <https://disasterloan.sba.gov/ela/>

By mail:

US Small Business Administration
Processing & Disbursement Center
14925 Kingsport Rd | Ft. Worth, TX 76155-2243

In person at a Disaster Recovery Center

Contact SBA: www.sba.gov/disaster
1-(800) 659-2955 | TTY: 1-800-877-8339
disastercustomerservice@sba.gov

REQUIRED INFORMATION

- Contact information
- Social security numbers
- FEMA registration number
- Housing information
- Insurance information
- Disaster damage information
- Financial information (income, assets, debts)



KEY TERMS

Loan: the lending of money to a borrower that must be repaid and is provided at a cost, known as interest.

Interest rate: a percentage of a loan that must be repaid on top of the original loan amount.

Collateral: a borrower's property that is promised to the lender for the duration of the loan period in case the borrower does not repay the loan.

THE BASICS

The SBA Disaster Home & Property Loans program provides low interest, long term loans to eligible homeowners and renters to repair or replace the primary residence and personal property damaged by a disaster.

- Homeowners and individual unit owners may apply to borrow up to \$200,000 to repair or replace their primary residence to its pre-disaster condition. A homeowners association may apply to SBA for up to \$2 million to repair damages to common areas.
- Renters and homeowners may borrow up to \$40,000 to replace or repair personal property—such as clothing, furniture, cars and appliances—damaged or destroyed in a disaster.

SBP loan amounts, terms and interest rates are determined by a combination of factors, including your credit review, your ability to obtain credit elsewhere, the amount of property loss, and insurance settlements or other payouts you've received.

In some cases, SBA may be able to refinance all or part of a previous mortgage.

THE FINE PRINT

- Cannot be used for secondary homes, but rental units may qualify for a business disaster loan.
- Cannot be used to upgrade homes unless required by local building code. Improvements that help prevent the risk of future property damage by a similar disaster may be eligible for up to a 20% loan amount increase.

Getting Disaster Assistance:

Applying for SBA Disaster Home & Property Loans (Continued)

- Unlike FEMA grants, SBA programs are loans and therefore must be paid back. Interest rates for homeowners and renters unable to obtain credit elsewhere won't exceed 4%, and loans are offered with up to 30-year terms in many cases.

THE APPLICATION PROCESS

1. Register with FEMA to obtain a registration number.
2. FEMA will refer eligible applicants to the SBA to apply for a disaster loan.
3. Apply for an SBA loan by submitting a completed loan application and a signed and dated IRS Form 4506-T giving permission for the IRS to provide SBA your tax return information.

4. SBA will review your credit and may send an inspector to your home to verify disaster-related damages.

5. A loan officer will determine your possible loan amount, taking into consideration insurance or other settlements. The general timeline is to arrive at a loan decision is within 4 weeks. If approved, SBA will prepare and send loan documents to you for your signature. You are not obligated to accept the loan, but declining the loan will not make you eligible for SBA-dependent Other Needs Assistance.

6. If you are denied a loan, you have two opportunities to request a reconsideration: first, within 6 months of the first notification, and second within 30 days of the second notification. Additional documentation will almost always help your case.



TIPS

- If referred to SBA by FEMA, do not wait for an insurance settlement before completing the loan application. Loan amounts can be adjusted later.
- If referred, you must complete loan application in order for FEMA to determine if you may qualify for certain types of Other Needs Assistance.

For more information, visit: <https://disasterloan.sba.gov/ela/Information/HomePersonalPropertyLoans>

For more information, including recovery videos and additional step-by-step guides, visit:

sbpusa.org/start-here