

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

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 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 with FEMA for disaster assistance.

INSURANCE

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

YES

NO

Go directly to FEMA to register for disaster assistance.

Homeowners/Renters Insurance
 Document damage covered by your policy
 Call your agent 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.

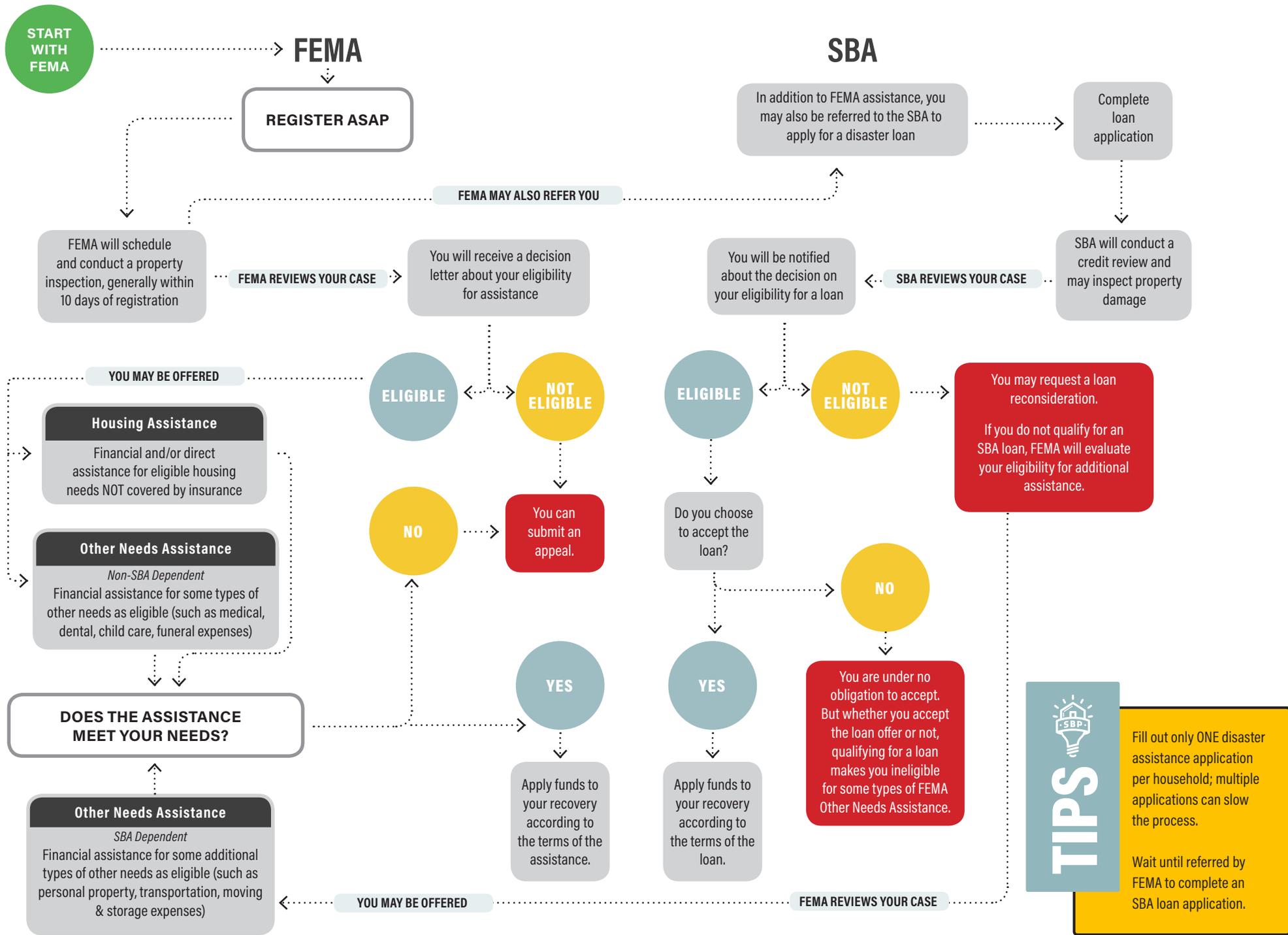
Accept and apply funds to your recovery as appropriate.

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, 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.

Getting Disaster Assistance:

File a Flood Insurance Claim through the National Flood Insurance Program (NFIP)



DOCUMENT & CONTACT

Contact your NFIP insurance agent to start the claims process for flood damages. For damage caused by other perils, contact the appropriate agent for your homeowners/renters, auto, or other insurance policy.

REQUIRED DOCUMENTS

Policy number(s) and insurance company info
Documentation on damaged property, such as receipts, contractors' estimates & photos

KEY TERMS



Flood: (NFIP definition) a general and temporary condition where two or more acres of normally dry land, or two or more properties, are inundated by overflow of inland or tidal water, unusual and rapid accumulation or runoff of surface water, or mudflow

Peril: the cause of loss or damage; flooding is a peril that is excluded from homeowner/renter insurance coverage; NFIP policies are separate insurance specifically for the peril of flooding

Proof of Loss: the form, and supporting documentation, that a policyholder signs and submits to the insurance company to make a claim for covered losses

Appeal: To request a reversal or new decision be made on your behalf

THE BASICS

If you suffered damages as a result of flooding and you have flood insurance, contact your NFIP agent as soon as possible to report losses.

A claims adjuster will be assigned to work with you to inspect damages and determine a dollar amount for your covered losses.

If you disagree with amount suggested, you can work with the adjuster, your insurance company and FEMA to reach a higher dollar amount for covered losses that you can agree on.

THE FINE PRINT

Flood insurance and homeowners/renters insurance are different.

Homeowners and renters insurance do not cover flooding. Flood insurance only covers qualifying losses due to flooding; it does not cover damages occurring at the same time as a result of other perils, such as wind-driven rain through roofs or broken windows. Contact your homeowners/renters insurance company to report damages caused by perils other than flooding.

There are two types of flood insurance coverage: building property and personal property (also called "contents"). You must have purchased both building AND contents coverage for both your home and possessions to be covered. Coverage is limited in basements and crawl spaces.

Building property: your home and the equipment used to run your home, like HVAC and built-in appliances. Insured at replacement cost value, according to the terms and limits of your coverage. This is the cost to replace damaged parts of the home.

Personal property/contents: your possessions, like furniture, clothes and electronics. Insured at actual cash value, according to the terms and limits of your coverage. This is the value of the item at the time of loss, minus depreciation—as things age or wear over time, they are generally worth less than when originally purchased, so you will receive less insurance money for them.

The complete *Proof of Loss*, along with supporting documentation, must be sent to your insurance company **within 60 days of the date of loss.**

Getting Disaster Assistance:

File a Flood Insurance Claim through the National Flood Insurance Program (NFIP) (Continued)

THE FLOOD INSURANCE CLAIMS PROCESS

For more information, see FEMA's *NFIP Flood Claims Fact Sheet*¹

1. Report your loss to your insurance agent as soon as possible.

2. Your insurance company will assign an adjuster to your case. Typically within 24-48 hours, the adjuster will call you to schedule an appointment.

3. During their visit, the adjuster will inspect the property and may ask if you wish to request an advance payment from your insurance company. It is helpful to prepare a list ahead of time of your flood-caused damages. Take photos of all the damages and have copies of receipts, any contractor estimates and other documentation to help with the loss estimation process.

4. The adjuster will send a detailed, room-by-room cost estimate of damage and *Proof of Loss* Form.

a. The *Proof of Loss* is your sworn statement of the amount you are claiming, including necessary supporting documentation, for your official claim for damages. A *Proof of Loss* must contain the specific details outlined in the Standard Flood Insurance Policy (see *NFIP's standard form*²).

b. Individual insurance companies may have different requirements for what supporting documentation needs to accompany the *Proof of Loss* form. Talk to your NFIP agent about what documentation your insurance company requires.

5. Review the cost estimate of damage and *Proof of Loss* form.

a. **If you agree with the suggested amount**, you will sign, swear to and submit it to your insurance company.

b. **If you do not agree with the suggested amount**, you can work through the following escalating steps until you agree on a new amount (it may be helpful to have your general contractor involved in this process): your adjuster, then your adjuster's supervisor, then your insurance company's claims department.

c. **If you still can't reach an agreement on a covered loss amount**, complete a *Proof of Loss* for the total amount you are requesting and send it with supporting documentation to your insurance company.

6. If the insurance company agrees with your *Proof of Loss*, the claim will be settled. If they disagree, you will receive payment for the undisputed amount and a detailed letter explaining the denial of any disputed amount.

7. If any part of your claim is denied, you have three options:

a. Send an amended *Proof of Loss* with more supporting documentation back to the insurance examiner.

b. Submit a formal appeal to FEMA, within 60 days of receiving the denial letter, that includes supporting documentation for your appeal.

c. File a lawsuit against your insurer, within one year of receiving the denial letter. Once you file a lawsuit you can no longer appeal your claim with FEMA or file an amended *Proof of Loss* with your insurer.

8. If you find additional damage after you file the claim, or repairs cost more than estimated, contact your agent to file for additional payment.

¹ FEMA's *NFIP Flood Claims Fact Sheet*: www.fema.gov/media-library/assets/documents/114402

² *NFIP Proof of Loss*: www.fema.gov/media-library/assets/documents/9343

TIPS

Be sure to accurately describe how flood damages were caused by flooding and not other perils or previous wear/damage.

FOR EXAMPLE:

DO NOT SAY: My windows are damaged. Water is leaking into the house as a result.

DO SAY: Before the flood my windows were watertight. After the flood damaged my windows, the wood began to deteriorate, causing water to leak into my home.

Photograph and move water-damaged items outside to aid with clean up, but where possible don't have them hauled away (unless they present a

health risk) until after the adjuster sees them.

If you took steps to prevent damage before an imminent flood, such as buying sandbags or renting a storage space to protect your belongings, you may be eligible to receive up to \$1,000 reimbursement for those expenses. Save all receipts.

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: www.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 before sending 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>



Shrinking time
between disaster
and recovery.

Post-Disaster Insurance Guide

After a natural disaster, many people depend on their homeowner's insurance to help them restore homes and lives to normal. The mission of SBP is to shrink the time between disaster and recovery. We have provided some helpful tips to consider when working with your insurance company.

TIP 1

Contact your insurance company right away.

You want to get as much information as possible up front so you don't have any surprises later. Talk with your agent to find out:

- What losses are covered under your policy or policies (such as homeowners or renters, flood, auto) and any additional relevant coverage you have for things like debris removal.
- How long you have to file a claim and about how long it will likely take to process.
- What additional living expenses (ALE) coverage you may have. ALE helps with expenses if you need to live somewhere else temporarily while your home is being repaired.
 - Be cautious with spending as you have to comply with your insurance company's requirements on eligible expenses or you may not be reimbursed (for example, if your temporary residence has a kitchen, ALE won't cover you eating out at a restaurant).
 - Save all receipts from temporary living expenses. After an initial advance, you are usually reimbursed for incurred expenses, so you have to show receipts. Keep them organized and send in copies weekly.



There will be limits for how much coverage you have for losses and extra expenses, as well as on coverage for some types of special items (like jewelry or antiques).

Get a copy of your declarations page and ask about your policy limits so you know what they are ahead of time.

Also be aware of your deductible--the amount of loss you agreed to pay for out of pocket before your insurance kicks in.

For more disaster recovery information, including tips on working with contractors and navigating the federal disaster assistance process, visit our recovery resources page:



[SBPUSA.ORG/START-HERE](https://www.sbpusa.org/start-here)



TIP 2

Record what's been damaged.

- Take pictures and video of ALL damage inside and outside of your home as soon as possible and BEFORE beginning clean up.
- After you've taken photos you can move damaged items outside for cleanup, but do not throw them away (except for health hazards like spoiled food) until your claims adjuster has seen them first.
- Make a list of all damages to your home, possessions and property, and be as detailed as possible. Most insurance companies require you list each lost/damaged item, so the more complete and detailed your list is, the faster they will be able to process your claim.
 - For each damaged item, include as much information as you have or remember about brand, type or model, purchase date and purchase price (e.g. Samsung 32" Class LED HDTV – September 2014 - \$300), along with copies of any receipts you have. You may also be able to go back and obtain copies of receipts from some stores if you gave them your name and email at the time of purchase.
 - If you have a recent home inventory with photos, this will be helpful for putting together a before and after comparison.



If you don't have a recent home inventory, take a look at recent personal photos, such as visits from friends or family posted to Facebook—you may be able to see parts of rooms and belongings in the background.

TIP 3

Take reasonable steps to prevent further damage.

- After taking pictures of the damage, make temporary repairs and begin clean up that you can do safely (remember these are only temporary repairs—do not make any permanent or extensive repairs until after you meet and discuss with your claims adjuster).
- Your insurance company may be able to advance you funds to help with temporary repairs—be sure to report the cost of temporary repairs to them as soon as possible.
- Save all your receipts.
- Steps you might take include:
 - Putting a tarp over damaged sections of a roof or boarding up damaged windows.
 - If there is water damage, airing out your home, cleaning and drying furniture, bedding, carpet and other items as soon as possible.
 - Having your electrical system and equipment inspected by an electrician for safety.



Your insurance company will NOT pay for additional damage that you could have prevented if you had made reasonable temporary repairs, so be sure to do so.

TIP 4

Document everything.

- As part of the claims and repairs process, you're going to be working with a lot of different people, and there will be many different types of expenses. Take notes on every conversation you have with an insurance representative and contractor (who, when, what you talked about, any decisions that were made), keep copies of all paperwork, save all your receipts, and take pictures of all damages and any issues with the rebuilding process.
- If anything ever gets lost in the shuffle, or if you encounter any issues that you need to resolve or negotiate, you'll have documentation to help your case.

TIP 5

Get written repair estimates from 2-3 contractors as soon as possible.

- Estimates should include line by line details of material, labor and costs.
- Even if they ask for it, don't show prospective contractors your insurance settlement offer if you have one already—contractors should base their estimates on the cost of the work.
- Once you have estimates, you can work with your insurance company to determine if the insurance settlement offer is sufficient for proposed repair costs, if repair costs need to be negotiated, or if the settlement should be increased.

TIP 6

Work closely with your claims adjuster.

- Your insurance company should give you a timeframe for when they will come to your home. It's always a good idea to verify identification when they arrive (call your insurance company if you have any questions).
- Show your claims adjuster ALL of the damaged items and structural damages to your home and property, along with your list of damages and your repair estimates. You may also want to share a copy of all your damage photos with the adjuster, such as copying to a flash drive or uploading to a cloud storage service like Dropbox.
- Have your claims adjuster take the time to thoroughly walk you through what the claims process will look like so you know what to expect.

TIP 7

If you have a mortgage, reach out to your mortgage company right away.

- An insurance policy is a contract between the insurance company and the *owner of the property*, which is technically your mortgage holder.
- Once the total cost of damage to a dwelling reaches a certain limit (limits vary by policy), the insurance company is legally required to put the mortgage company's name on the settlement check instead of yours, so you'll need to know what the mortgage company's process is for getting access to your settlement funds.

TIP 8

Don't feel rushed to select a contractor or agree to a settlement amount.

- Take the time to make sure you have all of the information you need to make good decisions.
- If you need more time to complete your list of lost and damaged items (especially if you have to do it from memory), or to thoroughly check prospective contractors, take it.
- If there are discrepancies between the bids you receive from the contractors you are interviewing and the estimate provided by your adjuster, contact your adjuster to discuss the differences and work on a resolution.
- If you and the adjuster can't agree on an amount, you can contact their supervisor or the insurance company's claims department. If you still can't reach an agreement, are having trouble working with your insurance company, or they are unresponsive, you can contact your state's Department of Insurance.



The initial settlement is not always the final claim settlement.

If you later discover additional damage that you and the adjuster didn't find on the first inspection, you can file a supplemental claim, even after you've received money for your initial claim.

You generally have up to a year after the initial claim is filed to file a supplemental claim.

TIP 9

Spend settlement money only on repairs and replacing damaged items.

- It may seem like a good idea to use some of your settlement money for other purchases or activities, but if you do that, you may not have enough funds to properly fix your home. Focus on getting you and your family back into a safe, functional and furnished home.
- Also be aware that if you have replacement cost value coverage (RCV), you will first receive a check for actual cash value (ACV). Once repairs are completed/damaged items replaced and you have submitted receipts for eligible expenses, you will receive a check for the difference up to the total cost of the repairs/replacements (but not to exceed your policy limits).

TIP 10

Be prepared to be—and stay—very involved in the process.

- If your home is only partially damaged and you are able to secure a good contractor quickly, this may only take a few weeks.
- If you've had significant damage that will require rebuilding some or all of your home, this process could take many months, and you need to stay actively involved.
- As much as you are able to, make arrangements with your employers so that a member of your family can be physically present and regularly check on the repair progress of your home.
- Being very organized, keeping good records, being proactive about checking up on your insurance claim and all of the work that your contractors are doing, asking questions, and, if you have concerns, pushing back until you're satisfied with the response are all things that will help get you and your family back home as quickly, efficiently, and safely as possible.

Updated 3/10/2017



Shrinking time
between disaster
and recovery.

Avoiding Contractor Fraud

If your house was damaged by a natural disaster, and you seek a reputable contractor to help with the repair and restoration of your home, please review this document. Homeowners must perform their due diligence before rebuilding to avoid contractor fraud.

WHAT IS CONTRACTOR FRAUD?

Unfortunately, contractor fraud is something that follows immediately after natural disaster when contractors try to take advantage of unsuspecting, confused and overwhelmed families. This form of theft takes place when contractors overcharge, do not provide promised services, or use faulty materials when working on homes. Contractor jargon, details of complex building systems and the unpredictable scope of work make choosing the right contractor a challenge.



Of the nearly 1,200 homes we have rebuilt for families across the country following disaster, 60% of those have been victims of contractor fraud.

WHY IS THERE CONTRACTOR FRAUD IN MY COMMUNITY?

The demand for qualified contractors after a large-scale disaster exceeds the supply, and many honest and licensed home repair companies can be booked solid for months. Frustrated and anxious homeowners eager to get their property back in shape may not take the necessary precautions when hiring contractors. Fraudulent contractors know this, and flock to disaster-struck communities to make a quick buck.

7 Tips to Avoiding Contractor Fraud

SBP has researched and identified specific tips to safeguard families from fly-by-night contractors who make homeowners' road to recovery even more difficult. Please refer to the following information as well as the accompanying contractor fraud checklist.

1

Only hire licensed and insured contractors.

Verify the track record of any roofer, builder or contractor you're thinking of hiring. Ask for a list of recent customers and call them.

2

Get multiple estimates.

Fraudulent contractors, especially when they approach seniors, will offer a "free" estimate to assess "problems" with your roof, siding, driveway, etc. The scammer will always find something wrong. Avoid fraudulent contractors by obtaining multiple estimates for any "damage" to your home. Consult friends, family or neighbors to learn the names of contractors they've used in the past—ones they trust.

3**Contractor estimates must be on paper.**

The typical scammer will “assess” problems at your home, and offer a verbal “quote” on how much these problems will cost to fix. Verbal quotes are not legally binding. If the contractor later charges twice his estimate—or damages your property during the “repair” process—it’s doubtful you could successfully sue the fraudulent contractor. Legitimate contractors are certified, insured and/or bonded by the state and/or town in which you live. They will also offer documented estimates for you to inspect before work commences. Ask for explanations for price variations. Before signing the document, ask a knowledgeable friend, relative or attorney to review a home repair contract before you sign. If you get a loan to pay for the work, be cautious about using your home as security (if you don’t repay the loan as agreed, you could lose your home). Consider asking an attorney to review the loan documents, as well. Make sure you and the contractor sign this document before any work is started, and that you keep a copy of the signed document in a safe place.

4**Obtain referrals.**

Get recommendations from friends, relatives, neighbors, co-workers, insurance agents or claims adjusters. Also check with the local Better Business Bureau (BBB) and Home Builders Association to see if complaints have been lodged against any contractor you’re considering.



What if I am a victim of contractor fraud?

If you suspect a repair rip-off, call the consumer division of your state Attorney General (800-351-4889). If you suspect fraud, waste, or abuse involving Federal Emergency Management Agency disaster assistance programs, report it to FEMA’s Inspector General’s Office (800-323-8603).

5**Never pay with cash, never pay upfront.**

Document all payments, via check or credit card, so there is a paper trail. Clients who pay with cash are likely to never see the contractor again. Reputable contractors ask for down payments or deposits (1/3 of the total price is standard procedure), almost never request full payment upfront. In fact, most legitimate contractors bill at predetermined progress points in the project and when the work is complete to the client’s satisfaction. If a contractor asks for or demands total payment upfront, do not use that contractor.

6**Avoid the Door-to-Door Salesmen.**

The door-to-door salesmen who claims they just happened to be in the neighborhood because they were doing work for someone nearby is a common fraudulent activity. Many of these “door-to-door salesmen” claim to have materials left over from the last job, which, if true, is likely stolen materials from another client. Seek contractors through referrals—by asking friends or neighbors. Honest contractors earn most of their business through referrals from satisfied customers, and they don’t need to travel door-to-door to find business.

7**Avoid Referral Schemes.**

Some scammers offer substantial “discounts” if you promise to refer them to future customers, or if you let them use your home as a “model” or “demonstration” project. Focus on moving yourself and your family home safely first. Only agree to a referral program once the work is completed to your satisfaction.



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Contractor Fraud Checklist

Contractor fraud is a big problem in the aftermath of disaster. In fact, over 60 percent of our clients in New Orleans following Katrina suffered contractor fraud. Following Sandy, contractor fraud was prevalent as well. Our mission at SBP is to shrink the time between disaster and recovery, and one way to do this is to eliminate the setbacks and delays brought on by contractor fraud.

PLEASE USE THE FOLLOWING STEPS AND CHECKLISTS TO PROTECT YOURSELF FROM CONTRACTOR FRAUD.

STEP 1

Licensure/ Insurance

It is critical that your contractor is licensed and insured to perform this work. Ask the contractor to send you a photocopy of each document before your first meeting to expedite approval of the contractor, as you will not waste time meeting with someone who is unable/unwilling to provide this information. After you have requested this information, **if you answer "NO" to any of these questions, DO NOT use the contractor.**

- Contractor's Business Name
- Contractor's Full Name
- License Number, exp. date
- Do you have a photocopy of the contractor's business license?
- Do you have a photocopy of the contractor's identification?
- Does the contractor have workers' compensation?
- Do you have a photocopy of the documentation?
- Does the contractor have proof of insurance?
 - Insurance carriers name:
 - Policy number:
 - Phone Number:
- Do you have a photocopy of the proof of insurance?



Reminder

Do not rush this process!

It is important to have everything in order before proceeding. If you have answered NO to any of the above questions, DO NOT use the contractor. Contractor fraud comes in many shapes and forms, so make asking questions a priority. Always verify a contractor's license and insurance. Never use a contractor who has expired licenses or insurance.

States that require contractors to be licensed by the state will have a publicly available online database of licensed contractors. Visit your state's website and search "licensed contractors" for more information. To check local licensing requirements, call your local government's permitting office or information line/3-1-1.

STEP 2

Bids and Estimates

Ask the contractor many questions during this stage. If you feel at all uncomfortable with any of the answers to these questions, or if any of your answers to any of the questions are NO, do NOT proceed with this contractor.

- First, is the bid broken into labor and material costs?
- Is the scope of work on paper?
- Does the scope of work include:
 - The contractor performing an extensive walk through of your home?
 - A list of the specified materials the contractor intends to use?
 - A timeline for how long the work will take?
- Did you obtain multiple bids? If so:
 - Have you compared price per square foot from multiple bids?
 - Have others looked at bids to see if pricing is accurate/average in regard to the market rate?
- Have you asked the contractor to provide you with three references from recent jobs?
- Have you contacted these three references, and do you feel comfortable with their endorsement?

STEP 3

Contract Details

Take your time during this step. If you feel at all uncomfortable with any of the answers to these questions, do not hire this contractor. Again, at the end of this step, if you cannot check all of the boxes, do NOT proceed with this contractor.

- Have you read the entire contract?
- Are the following elements in the contract?
 - Punch list: Walk through with contractor and build a punch list of all the final project items to complete before finishing the job.
 - Home inspection: Build in a requirement of a home inspection by a third party before final installation of payment (10%). The building must meet all relevant codes and standards in order for the contractor to receive payment. The cost of this inspection falls to you, the homeowner; however, it is worth the investment. Only after successful completion of the entire punch list and home inspection will the final 10% be awarded to the contractor.
 - Release of Lien: Have contractor sign a Release of Lien document to release the homeowner of liability to subcontractors and vendors.
- Have you agreed upon a payment structure? We strongly recommend "progress billing" or payments in stages as the work is completed to your satisfaction, and never pay 100% upfront.
 - Is the down payment less than 30%?
 - Have you clearly identified progress points for payment/construction? We recommend no more than 30% up front for the first three stages, with a 10% installation after punch list items are complete. **Make sure that payment is accepted by check or credit card (DO NOT PAY IN CASH!)**
 - Is there a warranty for their work (typically 1-3 years)?



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Mold Remediation Guide

This guide walks you step by step through an effective mold remediation process, which can be undertaken with help from your family and/or neighbors.

Remember, you DO NOT and SHOULD NOT have to spend thousands of dollars on mold remediation.

An Overview of Mold

THE MOLD PROBLEM

Mold is a common problem after flooding. It can be harmful to your health and must be effectively cleared before you can begin rebuilding. But there is good news. **Armed with the right information and tools, mold problems are something most people can successfully and affordably take care of themselves, saving precious dollars for other recovery needs.**

WHAT IS MOLD?

Mold is different than mildew. Mildew is a surface fungus that is typically gray or white in color and can be easily cleaned or wiped away with a simple cleaning agent.

Molds are naturally occurring species of fungus. They grow best in warm, damp conditions--conditions common in flooded homes—and reproduce by means of tiny spores that can float through the air. Molds are typically green or black in color.

Unlike surface mildew, molds have tiny branches and roots, so they grow both on top of and INTO materials like wood. You'll need a fungicide and wire brushes to remove it. There are many different types of mold, but all types require moisture and oxygen to grow. Without these, there can be no mold growth.

MOLD AND HEALTH

Some molds can be harmful to your health, especially for those who are allergic to mold or have weakened immune systems. Because they produce allergens and irritants exposure can cause symptoms like sneezing, runny nose, itchy eyes, and skin rash. More severe reactions include asthma attacks, fever, and infection. Clearing out mold is essential for your family's health.

CLEANING UP MOLD

Indoor growth can and should be prevented or controlled by controlling moisture in the home. If your home has mold growth, you must fix the water problem and clear the mold. Professional mold remediation services can cost thousands of dollars, and prices can go up even further after a disaster. **In many cases mold is something you can safely, effectively, and much more affordably remediate yourself with the proper supplies and procedures.**

Before beginning, check with your State to see if any mold assessment and remediation regulations exist. Some states do have licensing and certification laws, but they typically exempt homeowners doing remediation in their own homes. Also check with your insurance company on anything your policy may say about mold remediation. After checking and complying with any applicable requirements, you can follow the step-by-step process in this guide to effectively remediate mold and move forward with repairs or rebuilding.

COMMON SOURCES OF EXCESS MOISTURE AND MOLD GROWTH:

- Water intrusion from storm and flooding events
- Roof leaks and resulting moisture in walls, ceilings and attics
- Wet subfloor, carpet, and/or flooring
- Standing water in a basement or crawl space
- Plumbing backups
- Mold spores in HVAC ducts
- Inadequate attic ventilation

Supplies Tips

- All supplies can be purchased on Amazon or at your local home improvement store for around \$500-\$700, depending on the size of your home, the number volunteers who are helping, and what tools you already own.
- The right personal protective equipment (also called "PPE"), properly fitted, is essential for protecting eyes, airways, skin, and clothes while cleaning up mold.
- Use wire brushes, not nylon, for scrubbing the wood framing. Wire brushes penetrate beneath the surface of the wood to more effectively remove mold.
- If you have access to them, fans, HEPA air-scrubbers, and dehumidifiers can help accelerate the drying process and get you ready to rebuild even faster.
- After each work day:
 - Safely dispose of disposable equipment and clothing,
 - Clean reusable equipment and protective clothing according to the manufacturers' recommendations,
 - Wash regular work clothing separately from other clothing in hot water and detergent, and
 - Clean footwear.

Mold Remediation Supplies

WHY USING FUNGICIDE, NOT BLEACH, IS ESSENTIAL

Use an EPA-registered fungicide for mold remediation. Fungicides are cleaning agents specifically intended for killing mold and other fungi, both on AND below the surface of contaminated materials. Mold remediation formulas are also designed to help prevent future mold growth.

Common brands: Concrobium Mold Control, Fiberlock Shockwave / ~\$30-\$40 per gallon

Bleach is NOT effective for mold remediation because it cannot clean below the surface of porous or semi-porous materials like wood. Because it cannot kill mold roots, mold can and will regrow. The EPA and CDC do not recommend bleach for mold remediation.

WHAT TO WEAR WHEN CLEANING MOLDY AREAS¹



Protective coveralls & boots: Use disposable protective coveralls with a hood and foot covers to protect your hair, clothes, and footwear during cleanup, and to limit further spread of mold spores. Also wear waterproof work or rubber boots.

Common coveralls brand: Tyvek / ~\$6-\$8 per suit



Nonvented safety goggles: Wear nonvented safety goggles to protect eyes from dust and mold spores.

Common brands: 3M, Dewalt / ~\$4-\$10 each



Particulate respirator: Use a respirator mask with 100-level particulate ("P100") filters to protect you from breathing in dust and mold particulates. Choose the correct size, and adjust the top and back of the mask for a snug fit and tight seal.²

Common brand: 3M / Reusable Mask: ~\$5-\$30 each / Filters: ~\$8 per pair



Two kinds of gloves: Wear long (extending to middle of forearm), impermeable, disposable gloves to protect skin from cleaning agents and particulates. Select gloves made from natural rubber, nitrile, polyurethane, or PVC. Wear leather work gloves over disposable gloves to protect hands from abrasions.

Disposable gloves: ~\$8-\$10 per box of 100 / Leather work gloves: ~\$8-\$15 per pair

¹See CDC recommendations for mold cleanup and personal safety (<https://www.cdc.gov/disasters/mold/index.html>)

²Consult Occupational Safety and Health Administration (OSHA) fit testing requirements for respirators when used in an occupational setting (www.osha.gov)

SUPPLIES

Personal Protective Equipment

- Protective coveralls
- Nonvented safety goggles
- Respirator masks
- P100 filters
- Disposable gloves
- Leather work gloves

Cleaning Supplies

- EPA-registered fungicide
- Spray bottles
- Shop towels
- Household or dish detergent
- Antibacterial wipes
- Brooms & dustpans
- HEPA vacuum

Tools

- Wire cutters
- Hammers
- Demolition hand tools
- Utility blades
- Wire brushes
- Ladders

Other Supplies

- Moisture meter
- Roll of 6mm plastic
- Duct tape
- Stapler & staples
- Permanent markers
- Contractor trash bags
- Fans / air blowers / dehumidifiers

Quantities needed depend on size of job and number of volunteers

Cleanup Tips

The tips and techniques presented in this section will help you clean up your mold problem. Professional cleaners or remediators may use methods not covered in this publication. Please note that mold may cause staining and cosmetic damage and it may not be possible to clean an item so that its original appearance is restored.

- Fix water problems and dry out the area as soon as possible.
- Clean and dry completely all contaminated items that can be properly washed; remove and discard those that cannot.¹
 - Non-porous items can be washed with hot water and detergent.
 - Porous materials that cannot be washed and disinfected, like carpeting and upholstery, must be discarded.
 - Wet insulation and drywall must be removed (to at least a foot above the waterline) and discarded.
- Cleaning properly is essential. In addition to causing mold growth, flood waters can carry chemicals, sewage, and other contaminants into the home. For more information on flood cleanup, visit www.cdc.gov/disasters/floods/cleanupwater.html
- Work area should be thoroughly dry (below 20% moisture) before beginning remediation. Use a moisture meter to test framing.
- Do not paint or caulk moldy surfaces. Painting over is not a way to treat mold and is likely to peel. Properly clean and dry all surfaces before painting.

Mold Remediation Procedure

The purpose of this procedure is to:

- Kill mold caused by flooding
- Dry out materials holding enough moisture to facilitate mold growth
- Prevent new mold growth
- Increase household's quality of life and health



TIMELINE:
2 - 5 DAYS

STEP 1

Identify and address water source

Inspect exterior of house for cracks and penetrations that may be allowing water infiltration. The water source must be addressed before mold remediation work begins to ensure that mold does not have the opportunity to grow again.²

STEP 2

Isolate the work area

Use duct tape or staples to attach sheeting. Tape plastic sheeting around any supply and return vents.

STEP 3

Wear respirators

Ensure respirators have been cleaned with antibacterial wipes and dried before use. Wear respirators at times in the work area until at least 24 hours following wire brushing and vacuuming.

STEP 4

Clear nails and staples

Remove nails and staples from the face of every top plate, base plate, stud, and ceiling/floor joists. Drive any protruding nails into subfloor.

STEP 5

Treat framing: scrub, spray, and wipe down

Use a wire brush to scrub all wood surfaces in multiple directions--up and down, side to side, circularly and diagonally.³

- This helps remove mold and open up wood fibers for fungicide penetration.
- Any volunteers not scrubbing can be folding shop towels into sixths to prep for wiping down.
- Use a permanent marker to mark an "X" on the stud once fully scrubbed to track work progress.

Apply fungicide to all wood marked with an "X" according to product instructions (when recommended, spray application is often easiest).

Wipe down sprayed areas with a shop towel.

- Flip towel to a different clean face each time it becomes dirty; once all towel faces have been used, discard and replace with a new, clean towel
- Do not re-use dirty towels or re-dip dirty towels into fungicide.
- When stud is wiped down on all sides, circle the "X" with permanent marker.

¹For more information, see:

- FEMA - Initial Restoration for Flooded Buildings (<https://www.fema.gov/media-library/assets/documents/9968?id=2633>)
- FEMA - Cleaning Flooded Buildings Fact Sheet (<https://www.fema.gov/media-library/assets/documents/31368>)

STEP 6

Vacuum all exposed surfaces three times

Once all framing has been treated (all studs marked with a circled "X"), vacuum all exposed surfaces three times with a HEPA (High-Efficiency Particulate Arresting) vacuum to remove dust, debris, and dead mold spores.

STEP 7

Dispose of mold-contaminated items

Dispose of mold-contaminated items in sealed, doubled contractor trash bags, twisted, folded over and taped shut at the top.

STEP 8

Dry out completely

Allow at least 48 hours to dry completely (below 15% moisture). Do this by opening up windows, and if available, using fans, air blowers, and dehumidifiers. When possible, turning up the heat to 90 degrees can also significantly reduce drying time (*before turning on your HVAC, have your system inspected to verify it is free of mold*).

²If during your inspection of the house, you find or suspect structural damage, utility hazards, or mold in your HVAC system, stop and contact a professional to inspect.

³If accessible, operate an air scrubber(s) with a HEPA filter during demolition and mold remediation. This equipment draws air out of the construction zone, capturing mold spores and preventing their further spread.

Verifying Completion

HOW DO YOU KNOW WHEN THE REMEDIATION OR CLEANUP IS FINISHED?

The water intrusion or moisture problem must be completely fixed.

No visible mold or moldy odors should be present. (*note that staining and cosmetic damage may remain even after successful mold removal*)

The site should show no signs of reoccurring water damage or mold growth when revisiting shortly after cleanup.

Framing must be completely dry; requirements can vary but below 15% moisture level is recommended. Verify using a moisture meter.

Inspection by a qualified professional is recommended at this stage to certify your remediation was successfully completed. Your state and/or insurer may require this. Any clearance inspections must happen BEFORE rebuilding begins.

HOW SOON CAN YOU REBUILD AFTER REMEDIATION?

Testing with moisture meter must show framing to be completely dry (below 15% moisture or regulation level for the area) first. If any clearance inspections by licensed assessors are required (check with your state and your insurance company on any applicable requirements first), this must also happen before rebuilding.

Once the framing has been assessed to meet moisture regulations, and any required clearance inspections passed and documented, you may begin the rebuilding process.

IS SAMPLING FOR MOLD NEEDED?

In most cases, if visible mold growth is present, sampling is unnecessary. Since no EPA or other federal limits have been set for mold or mold spores, sampling cannot be used to check a building's compliance with federal standards. Surface sampling may be useful to determine if an area has been adequately cleaned or remediated. Sampling for mold should be conducted by professionals who have specific experience in designing mold sampling protocols, sampling methods, and interpreting results. Sample analysis should follow analytical methods recommended by the American Industrial Hygiene Association (AIHA), the American Conference of Governmental Industrial Hygienists (ACGIH), or other professional organizations.

For more information, please visit: SBPUSA.org  /SBPUSA  @SBPUSA



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Home Damage and Elevation and Code Compliance

If your home suffered extensive damage from a disaster event, the cost to repair the structure may trigger your local municipality's requirement to upgrade to current codes and standards. Below, we've provided an overview of this process: determining if your home is "substantially damaged," and if so, what to do if you have to elevate your house and fix it to local code.

Key Terms

Use the key below as a reference for certain important terms.

SUBSTANTIAL DAMAGE:

This is the damage of a structure (such as your house) whereby the cost to fix the structure to its pre-disaster condition would equal or exceed 50%* of the market value of the structure. The "substantial damage rule" applies to all buildings, regardless of whether the building was covered by flood insurance.

MARKET VALUE:

This is the value of your structure before the damage occurred, pertaining only to the insurable structure in question, not to the land, landscaping or detached accessory structures on the property.

BASE FLOOD ELEVATION (BFE):

This refers to the level to which floodwaters are modeled to rise during the base flood (also known as the 100-year flood or the flood that has a 1% chance of being equaled or exceeded in any given year).

STRUCTURE ELEVATION PROJECT:

This is the lifting of an existing building structure so that the First Floor Elevation (FFE) is at or above the BFE as required by FEMA or local ordinance to reduce flood risks.

INCREASED COST OF COMPLIANCE (ICC):

In cases where the local floodplain ordinance requires elevation or retrofitting of a substantially damaged building, the flood insurance policy will not only pay for repairs to the flooded building, it will pay up to \$30,000 to help cover the additional cost of complying with the ordinance.

**Consult your local floodplain administrator as your local ordinance may require < 50% damage threshold.*

For information visit our website at SBPUSA.org

The Basic Process



Disaster event floods home.



Initial inspection estimates percent damage.



If at least **40%** damaged, detailed inspection confirms percent damage.



If **50% or greater**, local Floodplain Manager provides Substantial Damage Determination.



Homeowner obtains building permits and must comply with current building codes including floodplain elevation.

THE CALCULATION:

COST TO REPAIR

MARKET VALUE OF HOME



50%



SUBSTANTIAL DAMAGE

STEP 1

Determine Your Cost to Repair and the Market Value of Your Home

DETERMINE YOUR COST TO REPAIR

The cost to repair is the true cost of bringing the building back to its pre-damage condition using qualified labor and materials obtained at market prices.

- It must be calculated for full repair, even if the owner elects to do less.
- It must also include the cost of any improvements that the owner has opted to include during the repair project.
- Get the cost to repair from an objective third-party or undebatable source, such as:
 - A licensed general contractor
 - A professional construction estimator
 - Insurance adjustment papers (excluding damage to contents)
 - Damage assessment field surveys conducted by building inspection, emergency management or tax assessment agencies after disaster (e.g., using FEMA Substantial Damage Estimator Program)

DETERMINE THE MARKET VALUE OF YOUR HOME

Acceptable estimates of market value include:

- An independent appraiser
- A detailed estimate of the structure's actual cash value (the replacement cost for the building, minus a depreciation percentage based on age and condition)
- An estimate from your local building department or tax assessor's office



Future Flood Protection Ideas to Consider

1. Obtain and maintain flood insurance no matter what flood zone you are located in. If located outside the regulatory floodplain, or Special Flood Hazard Area, the cost of flood insurance is greatly reduced.
2. If located in high-risk wind zones, strengthen the roof, windows, doors, and structure following the IBHS FORTIFIED Home standards.

STEP 2

Your Home is Officially Declared “Substantially Damaged”

(If your home is NOT declared “substantially damaged, skip to Step 5)

You will receive official notification by the local floodplain administrator that the cost to repair your structure’s damages is 50% or more of the fair market value of the building.

STEP 3

Elevation and Code Compliance

If your home is substantially damaged AND its first floor elevation is below the elevation required by the local floodplain ordinance (typically BFE or BFE plus 1 to 3 ft.), it must be elevated to or above the level of the base flood, and meet other applicable local code compliance upgrades. Consult your local floodplain administrator or permitting office for more information on the base flood level. Your local ordinance may require “less than 50% damage threshold.”

STEP 4

How to Fund Your Elevation and Code Compliance Project

There are numerous ways to pay for the cost of your project. Elevation can be self-funded, financed through an SBA loan or other lender, and assisted with the ICC program. You can also request to be added to state and local lists of structures to receive federal and state assistance to fund elevations, if available.



Reasons to consider elevating and strengthening your house to reduce risks, regardless of whether you are required to:



Reduce the risk of future floods that damage property, destroy irreplaceable items and cause massive disruption



High probability of long-term compliance with increasingly tighter codes and requirements



Reduced flood insurance and homeowners insurance rates



Increased market value and resale value of the home

STEP 5

Voluntary Methods to Reduce Future Flood Damage

If the structure is not substantially damaged then the building does not have to be elevated or otherwise protected or brought up to code. However, it is advisable to incorporate methods to reduce future flood damage, such as use of flood-resistant materials and installation of electrical, heating and air conditioning units above BFE. If the building’s FFE is below BFE and there are hazard mitigation grants available, it might be a good time for local residents to consider elevation as part of a local Hazard Mitigation Grant Program project even if not required by code.

Potential Post-Disaster Changes

- National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM) changes, which dictate flood zone and flood insurance rate. Check the NFIP website at floodsmart.gov to find out more information about these potential changes
- Local and state ordinance changes
- Lender and insurance company requirements
- Availability of funding for elevation and other compliance measures