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FEMA DISASTER HOUSING ASSISTANCE PROGRAMS

DISCLAIMER NOTICE-

Please be advised that the following information regarding FEMA disaster assistance programs is designed to provide a general familiarity with the programs as they have been applied in past disasters. FEMA disaster assistance programs are flexible and discretionary in nature. Accordingly, it is strongly recommended that users of this manual verify the following information with FEMA.

OVERVIEW

The purpose of the FEMA Disaster Housing Assistance¹ is to provide assistance to enable households to address their disaster-related housing needs. It is not intended to alleviate chronic housing issues or problems existing prior to the disaster. The assistance is generally provided in the form of a check to the applicant. It is a grant, not a loan, and is not income based although eligibility for some forms of assistance may require an analysis of ones' financial condition. It is not considered as income or as a resource for determining eligibility for federally- funded income assistance or resource-tested benefit programs. It is tax free, exempt from garnishment or levy and cannot be assigned or transferred.²

In 1995, Congress passed legislation³ prohibiting non-emergency disaster assistance for all FEMA DHA Programs (Rental Assistance, Mortgage and Rental Assistance, Home Repair Assistance, and Transient Accommodations) to persons not lawfully present in the United States. Prior law in 1994 had prohibited FEMA from providing Rental Assistance and Mortgage/Rental Assistance for more than 90 days to persons not lawfully present in the United States.

All applicants applying for FEMA DHA (beginning with FEMA-DR-1067, United States Virgin Islands, declared September 16, 1995) will be requested to sign a self-certifying declaration that they are a United States Citizen or National, Lawful Permanent Resident, or are otherwise lawfully present within the United States. See Section 13 E.

In 1996, Section 401 of The Personal Responsibility and Work Opportunity Reconciliation Act⁴ specified that all persons, regardless of their immigration status, are eligible for short-term, in-kind, non-cash disaster assistance. Moreover, the U.S. Attorney General has the authority to designate certain government-funded community programs or services or assistance necessary for the protection of life and safety for which all persons will be eligible, regardless of immigration status.⁵ As of the printing date of this publication, FEMA continues to follow the 1995 legislation referenced above for its disaster housing assistance programs. Also, FEMA anticipates amending its definition of "lawful presence" in light of welfare reform legislation. See Section 13E.

FEMA must inform applicants of the types of disaster housing assistance available for the particular disaster.⁶ For an overview of disaster housing assistance and other individual assistance programs available for renters and homeowners, see the chart at the end of Section 6.

I. EMERGENCY SHELTERS (ADMINISTERED BY AMERICAN RED CROSS)

During the first stage of a disaster, many individuals are left homeless. The Red Cross sets up emergency shelters to house and feed families and individuals. If the disaster destroys permanent homes and apartments, many persons need interim housing. Persons with insurance may obtain temporary replacement housing through their insurance company, or if alternate living expenses (ALE) are not covered or provided, these victims can obtain FEMA assistance. Others move in with family or friends.

II.

RENTAL ASSISTANCE (RA)⁷

A. Initial and Continued Rental Assistance

1. Initial Rental Assistance

Rental Assistance (RA) is a grant in the form of a check to enable victims, both homeowners and renters, to rent temporary replacement housing. RA is a tax-free grants program which seeks to shelter victims in the fastest, most economic way possible. It must be used only for disaster-related housing purposes. These include short-term lodging, rent or housing payments.

Eligible homeowners include those whose homes are destroyed or uninhabitable and need repairs which cannot be done in a short period of time and the amount of damages is in excess of an amount established for the particular disaster. For these homeowners the fastest most economical way to put a roof over their heads is to provide them with money that will enable them to rent another place rather than to provide them with money to do the repairs.

Renters and homeowners may be eligible for rental assistance if they suffer disaster-related displacement from their primary residences. Eligible renters include those who have lost their rental and need time to find new housing. Eligible homeowners may also receive assistance based on the Fair Market Rental value calculated for the area.

Initial rental assistance with minimal certification requirements is available to renters and homeowners for one to three months to enable them to find alternate housing.

2. Continued Rental Assistance

For continued assistance, FEMA requires a second stringent verification process. Applicants must request recertification for continued assistance. They must be able to show they have used their initial assistance for appropriate disaster housing related needs and are making reasonable efforts to establish a permanent housing plan. See subsection F, "Continued Rental Assistance-Recertification."

B. Eligibility

One application shall be taken for each household. FEMA generally considers all the persons living in one home or apartment one household. In order for an applicant to be eligible, his/her primary residence must have one of the following conditions:

1. Destroyed or damaged home (damages which are in excess of the maximum Home Repair award, or which make the home unlivable);
2. Utilities cut off;
3. Serious health and safety hazard;
4. Inaccessible residence; or
5. Other disaster-related circumstances which prevent occupancy.

All damage must be to the renter's or homeowner's **primary** residence.

C. Deadline, Benefit Calculation and Duration

The application deadline is **60 days after the disaster declaration**. FEMA calculates benefits on the Fair Market Rent (FMR) for the area and bedroom size appropriate for the size of the family.

FEMA grants initial Rental Assistance as follows, depending on individual household need. Eligible renters normally receive at least one month's FMR. Thereafter, if they cannot find alternate housing, they

must document the need for additional funds for additional months and go through recertification. Homeowners with damaged homes may receive up to three months initial rental assistance before going through a formal recertification process.

If a household receives initial rental assistance but does not move from the damaged residence or use the funds for other disaster-related housing needs, they may be required to return the funds.

Renters generally receive rental assistance for a shorter time period than homeowners under the premise that a renter will normally require less time to find alternate affordable housing than a homeowner will in order to complete major repairs to his/her home. Renters or homeowners who require additional assistance can request recertification.

D. Verification and Documentation

FEMA is very strict about accurate documents and verifications accompanying applications. Meeting FEMA's complex documentation requirement may be a problem for some applicants. If their primary residence was destroyed, applicants may no longer have records. Renters may have problems because their prior landlords may refuse to provide verification of residence. Where multiple families lived together, the names of additional occupants may not appear on a lease. However, applicants should not hesitate to register or apply for assistance if they think they may be eligible.

E. Major Reasons for Denials

There are several major reasons FEMA denies RA grants: failure to establish that home was the pre-disaster primary residence; insufficient damage; lack of proof that the disaster caused serious damage to essential living areas; and lack of proof that insurance did not cover the cost.

1. Primary Residence

The damaged home must be the applicant's residence at the time of the disaster. It includes recently purchased homes or rental units obtained and moved into shortly before the disaster.

Proof of Primary Residence: utility bills with applicant's name and address, or other verifiable documents showing primary address. Secondary documentation includes verifiable documentation from landlords who can verify the applicant's address.

2. Serious Disaster-Related Damage to Residence

A FEMA inspector will conduct an on-site inspection of the primary residence with the applicant to assess disaster-related damages. Applicants can point out why their primary residence cannot be lived in safely. They can point out serious damage to the physical structure of the house. Serious damage to plumbing, wiring, heating/cooling, gas, water or sewage disposal must be visible to a FEMA inspector or in a report by a contractor. Basements and garages are not considered essential living areas and consequently are not included in eligibility determinations. Although, many persons may be living in illegal units that are converted garages or basements, if it is their primary residence, they should not hesitate to register or apply for assistance.

Inspectors may miss water damage such as wet wall board, carpeting or concrete which may not appear serious until it begins to mold and mildew. **(Applicants should contact FEMA immediately if they become aware of new or additional damage.)**

3. Insurance Coverage

Homeowners may be required to show that they made every attempt to get reimbursement for temporary housing from their insurance companies. See IV.D. (Insurance Programs). There have

been many problems with insurance coverage during disasters. Some companies refuse to provide coverage for alternate living expenses (ALE). Some insurance companies are non-admitted (out-of-state or offshore) carriers who are undercapitalized or who simply refuse to pay benefits. In past disasters, FEMA denied assistance to an insured homeowner or renter until it had been determined how much (if any) coverage their insurance company would provide. Depending on the applicant's situation, FEMA may grant assistance subject to recoupment (e.g. proceeds from insurance company will be delayed).

Proof of Insurance coverage: Copy of policy and coverage, letter denying coverage for housing and relocation costs, letter denying coverage for relatives or renters at the same address, letter confirming delay of benefits, insurance settlement breakdown.

F. Continued Rental Assistance- Recertification Process

To obtain continued rental assistance, a household must go through a recertification process. FEMA requests proof of how the household spent the initial RA grant. It requires that the household provide a housing plan to obtain permanent housing. Continued rental assistance may be provided in maximum increments of two to three months per recertification in the amount of the FMR or the actual rent whichever is less.

FEMA will grant **Continued Rental Assistance** only if:

1. For renters, no affordable alternative housing exists, which includes considerations of distance to work or school;
2. The household is reasonably seeking permanent housing;
3. Verified receipts show that initial RA was spent properly; and
4. A renter who was displaced and suffered a disaster-related reduction of income that can be verified continues to be unable to pay for rent.

FEMA may provide rental assistance for up to 18 months from the date of declaration in increments of one to three months per recertification if there is continuing need.

G. Additional Benefits: Security Deposits and Essential Furniture

FEMA issues RA checks directly to renters or homeowners, not to landlords. In most instances, households may not use the RA program to pay for security deposits or replacement of personal property. Security deposits are normally the responsibility of the applicant. However the Regional Director or official designee may authorize such payments when the applicant is unable to obtain the funds to the pay the deposit, and the Red Cross or other agencies also sometimes provide this assistance.

When FEMA approves RA for security deposits necessary for obtaining replacement housing, the applicant must repay the money to FEMA when the applicant's rental assistance ends.

Furniture assistance may be provided under Disaster Housing Assistance. It must be specifically requested and a need for furniture demonstrated. This assistance is not be construed as a means to replace damaged furniture, it is solely intended to make the applicant's temporary or permanent residence livable until the applicant's furniture can be replaced through another form of disaster assistance. The grant is generally based on the cost of renting furniture although the funds may be used as a down payment for furniture. This assistance is not considered a duplication of benefits with respect to any subsequent SBA or IFGP award for furniture replacement.

III.

MORTGAGE AND RENTAL ASSISTANCE (MRA)⁸

A. Purpose of Program: Assistance to Renters and Homeowners with Disaster-Related Financial Hardship

FEMA's initial priority is to provide assistance for displaced disaster survivors to obtain safe housing. After this initial need is met through the provision of emergency shelters by ARC, the Rental Assistance program, or the Home Repair Assistance program, FEMA seeks to help homeowners or renters whose pre-disaster homes are habitable but who may lose them because of financial hardships resulting from the disaster.

1. MRA -- In General

Residences are usually habitable as compared to the destroyed/damaged residences of disaster victims seeking RA. To initially qualify for MRA, homeowners or renters must still be living in their pre-disaster residence and have received written, legally enforceable notice of eviction or foreclosure.

2. Qualification for More Than One Program

Recipients of FEMA housing assistance are only eligible for one type of FEMA Disaster Housing Assistance at a time. In certain situations, however, eligible applicants may convert, or may be required to convert, the status of their applications from one form of assistance to another. FEMA, and not the applicant, determines the type of assistance that is most appropriate.

B. Eligibility: Financial Hardship Plus Eviction or Foreclosure

To qualify for Mortgage and Rental Assistance, homeowners and renters must first show that they are suffering **financial hardship** directly resulting from the disaster. The location of an applicant's residence is not a consideration of eligibility for this type of assistance. In other words, the residence does not have to be within the declared disaster area. The major reason FEMA denies applications for this program is that the applicant cannot demonstrate financial hardship. Applicants must show pre-disaster income that has declined significantly as a direct result of the disaster. Second, they must show that they occupied their primary residence before the disaster. Third, they must have written documentation of the following indicating that the stated grounds for the move to evict or foreclose is due to post-disaster payment delinquency:

1. Renters: eviction notice from landlord
2. Homeowners: foreclosure notice (not just a letter) from a lender.

C. Deadlines and Duration

The deadline for FEMA application for MRA is **six months from the date of the disaster declaration**.

FEMA provides assistance for the duration of the financial disaster or for a period not to exceed 18 months, whichever is less. FEMA provides checks for rent or mortgage payments in amounts covering one to three months at a time per recertification. The initial payment is based on delinquency since the disaster.

D. Verification and Documentation

1. Financial Hardship

a. Pre-disaster Income

FEMA defines financial hardship as a disaster-related loss of at least 20% of the applicant's pre-disaster household income and that the applicant's post-disaster monthly mortgage or rent payment exceeds 25% of his/her gross monthly post-disaster household income. Both criteria must be satisfied. Individuals who work in low-paying jobs where they are paid cash may have difficulty proving their pre-disaster income. Low-income persons without bank accounts have similar problems. Destruction of many documents in a disaster may make pre-disaster income difficult to establish. However verifiable documentation must be provided.

b. Proof of Financial Hardship and Pre-disaster Income:

Canceled check or check stubs, income tax returns, layoff or termination notices, Board of Equalization quarterly tax statements, Seller's permits, company financial statements, city tax registration certificates, invoice and receipts, signed declarations from former employers. Verifiable documentation must be provided.

2. Pre-disaster Occupancy

Homeowners and renters must prove that they occupied the premises for which they seek assistance before the disaster and that they continue to occupy the residence. The premises must be their permanent residence. Many renters who share homes or live in substandard residences may have difficulty proving occupancy because they do not have leases or rental agreements.

Proof of pre-disaster occupancy: utility bills issued within 3 months prior to the disaster and addressed mail to the applicant postmarked within 3 months prior to disaster.

3. Notice of Eviction or Foreclosure

Renters and homeowners who are unable to pay rent or mortgages frequently receive many letters demanding payment from their landlords or loan holders. These letters or oral demands are insufficient to qualify a household for these FEMA benefits. This makes it difficult for renters or homeowners to qualify for this program. Moreover, there is a problem with timing because once an eviction or foreclosure action is pending, it is difficult to stop.

It may be dangerous for a renter or homeowner to request a notice of eviction or foreclosure from the landlord or lender because he or she will have to explain his/her financial hardship. In addition, the 6 month application deadline for applying for MRA may run, before the notice arrives or the grant may arrive after the renter is evicted or the homeowner has lost his or her home.

Often a landlord or lending institution will give a notice of eviction or foreclosure but will hold off in enforcing it if they know that the person is in the process of attempting to obtain FEMA disaster assistance. This decision, however, is up to each individual landlord or lending institution.

Proof of Eviction or Foreclosure: Notice of eviction, notice of foreclosure. Evidence that the landlord or lender has taken formal legal action to support the intention to evict or foreclose.

4. FEMA's Forms

To assist applicants in obtaining necessary information to determine eligibility, FEMA has created certification forms. These forms are for landlords, building owners, lenders and employers. Applicants must obtain the appropriate forms to verify employment status, income, tenancy and ownership interest.

5. Recertification

After an initial payment to enable renters or homeowners to pay an arrearage on rent or mortgage plus an "advance" of two months payments, households must provide additional information to FEMA for recertification for additional assistance.

- a. First, the homeowners or renters must prove that financial hardship still prevents them from paying rent or mortgage.
- b. Second, they must show proper usage of the FEMA grant.
- c. Third, the applicant must demonstrate that he/she has exerted reasonable efforts to re-establish pre-disaster income and that he/she continues to have disaster-related financial hardship. Applicants who were employed prior to the disaster must submit an employment search record and business owners and self-employed applicants must show that they do not qualify for a Small Business Administration Economic Injury Disaster Loan (EIDL) unless they indicate that they do not intend to or can not re-open the business in which case such applicants will be recertified pursuant to pre-disaster employee requirements. Proof requirements of self-employed workers and employees can be found in the chart at the end of Section 7.

IV. HOME REPAIRS THROUGH HOME REPAIR ASSISTANCE (HRA)⁹

Disaster survivors obtain cash assistance for home repairs through the Home Repair Assistance Program (HRA). This cash grant program is available if the repairs will: return the home to livable condition; reestablish access to the home; be completed within 30 days.

A. Eligibility for Home Repair Assistance

Applicants for this program must be **owner-occupants**. It is available for those applicants who have the legal responsibility for making the repairs to their primary residence. They must need to make repairs to essential living areas. These include the following:

1. Living room
2. Dining room
3. Kitchen
4. One bathroom
5. Bedrooms of residents
6. Windows and doors.

It would not include nonessential areas such as guest bedrooms, additional bathrooms, swimming pool and landscaping. Generally, the repairs must be able to be completed within 30 days. The cost of the repairs must come within a maximum amount which FEMA establishes for each disaster site. The owner must show that insurance will not cover the repairs.

B. Scope of Repairs

The regulations are quite specific. FEMA limits the type of work for which it will pay with these funds.¹⁰ Repairs include those for:

1. Plumbing, electrical systems, heating systems, fuel systems for cooking, septic systems water wells, windows, doors, roofs, interior floors;
2. Blocking, leveling and anchoring mobile homes;
3. Stoves and refrigerators, when feasible;
4. Emergency access repairs; and
5. Elimination of health and safety hazards.

While FEMA will not pay for cosmetic repairs to a structure in and of themselves, it may provide assistance for paint and sheetrock if repairs are required to eligible underlying structural items. FEMA does not provide assistance for repairs to non-essential living areas, such as garages or basements, unless hazards exist in these areas impacting the safety of the essential living area. The grant will not be provided if the damage is a result of deferred maintenance. The funds may not be used to replace personal property. The funds may not generally add previously unavailable utilities to a home; however, FEMA has permitted use of assistance for repairs to bring the damaged elements of a home up to building code standards.

C. Deadline, Amount of Grant, Duration

Owner-occupiers must file an application within **60 days from the date of the disaster declaration**.

FEMA bases each grant on the amount of damage verified through a FEMA inspection. It sets cost limits for each item based on the reasonable costs for repair and replacement in the locality.

FEMA generally makes only a **one time payment** for repairs.

D. Insurance Programs

Many homeowners have fire, flood, earthquake or other specialized insurance that may cover repairs. FEMA may find these applicants ineligible for assistance on the basis that their insurance will cover eligible expenses. However, FEMA regulations provide that insured applicants may be provided with assistance when benefits are significantly delayed, exhausted or insufficient to cover the actual damage. In past disasters involving unique circumstances, FEMA has allowed grants to be used to cover insurance deductibles necessary to complete repairs. Homeowners must agree to repay FEMA if they later obtain duplicate insurance benefits.¹¹

E. Interaction With Other Disaster Programs

Home repair grants under the Home Repair Assistance Program for essential repairs differ from assistance available from the Individual and Family Grant Program (IFGP) or the Small Business Administration (SBA) loans for more extensive repairs. A homeowner may be eligible for a Home Repair Assistance grant to cover eligible emergency essential repairs and eligible for a SBA loan to cover more extensive damage. A homeowner whose home has been destroyed, or whose scope of home repairs are too great for FEMA home repair assistance may be eligible for FEMA rental assistance and may be referred to other assistance programs for unmet needs.

FEMA, not the applicant, determines what type of FEMA assistance, if any, is available. Generally only one type of FEMA assistance is available. The purpose of FEMA's DHA programs is to put a roof over the applicant's head in the fastest and most economical way. If an applicant's home has been destroyed and it will take a long time to repair or if the amount exceeds the limits established for the program, then the fastest and most economical way to house the applicant may be to provide Rental Assistance rather than Home Repair Assistance. In such an instance, the applicant should apply for a SBA loan to cover the

repairs. See Section 9. If SBA declines to cover all or part of the repairs, then the applicant may be eligible for IFGP assistance for the repairs. See Section 8. Duplicate payments from insurance or other repair programs may result in recoupment procedures. A comparison chart of Home Repairs, IFGP assistance for home repairs and SBA loans for home repairs, can be found at the end of Section 7.

F. Verification and Documentation

FEMA may require receipts for repair work performed such as in the case of a special Home Repair Assistance program such as the hazard mitigation reimbursement program provided for in the Northridge Earthquake disaster. Otherwise receipts are generally not required unless the applicant is being audited; is requesting assistance for eligible repair items which were not funded; or must otherwise demonstrate exhaustion of benefits.

Households may not receive a grant under this program if they fail to provide essential documentation about insurance coverage; to provide proof that their insurance carrier will not cover the loss claimed or to document that the homeowner has been unable to get payments. The extent of repairs may require funds from a program with greater resources because needed repairs exceed the HR limits.

Supporting documents include, but are not limited to:

1. Receipts for repair work already performed;
2. Reports by structural engineers;
3. Estimates on the essential repair work;
4. Insurance reports, letters of delays, denials ;
5. Photographs or videos of actual damage; and
6. Denials of assistance from other programs

V. TRANSIENT ACCOMMODATIONS¹²

A. Purpose

The purpose of Transient Accommodations is to reimburse a disaster victim for the cost of short-term lodging up to 30 days, such as hotel rooms, that was incurred because of damage to the home or an official evacuation announcement. Expenditures for food, transportation, telephone, separately billed utilities, and other services are not eligible for reimbursement.

B. Eligibility

The applicant's home must have sustained disaster damage and paid receipts for transient accommodation expenses must be provided.

VI. GOVERNMENT PROVIDED TEMPORARY HOUSING¹³

If FEMA determines that rental housing is unavailable in the local community because of widespread destruction or danger, it may provide government owned or leased temporary housing in lieu of monetary grant awards for rent or home repairs. FEMA is reluctant to do this, but during particularly destructive hurricanes, earthquakes or floods, it has provided government housing, when determined appropriate because adequate rental resources were not available. FEMA may enter into leases when existing rental resources are unavailable¹⁴ or it may provide mobile homes or other manufactured housing.¹⁵

VII. OTHER HOUSING ASSISTANCE

A. United States Department of Agriculture Rural Development

The United States Department of Agriculture (USDA) Rural Development (RD), formerly known as Rural Economic and Community Development (RECD), administers the Rural Housing Service (RHS). As one

of three distinct services of RD, RHS operates a wide range of programs designed to increase rural housing opportunities and improve residential conditions for low-income rural renters and homeowners through loans and grants for rental assistance, housing construction, rehabilitation and home ownership, as well as the development of essential public service, safety and health care facilities. RHS also assists farmers to build, buy, or repair farm labor housing. These are on-going programs, not specifically for disaster victims, but may be useful after a disaster. Call USDA RD at 916-668-2000 for more information.

B. Veterans Affairs

If a disaster victim has a home loan through the United States Department of Veterans Affairs (VA), s/he may be able to have the loan adjusted. Exact terms are determined on a case-by-case basis. Call the VA regional office where the property is located. The proper regional office should be on the loan papers; if not available, call the VA at 800-827-6551 for the number of the correct regional office.

C. Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) may offer Section 8 rental assistance and relocation plans for tenants in subsidized public housing, depending on the disaster. Also, HUD provides Section 203(h) single family mortgage insurance for borrowers (homeowners or renters) to reconstruct or replace their principal residence that was damaged or destroyed by a disaster. The application deadline is one year from the disaster declaration date. This mortgage insurance program is administered by the Federal Housing Administration (FHA), a branch of HUD. For more information about either type of assistance, contact a local HUD office.

D. Individual and Family Grant Program

The Individual and Family Grant Program (IFGP) may provide grants to repair the home, to repair or replace household items and home furnishings, and to move and store personal property. See Section 9.

E. Small Business Administration

The Small Business Administration (SBA) offers low-interest loans to repair, replace, or rebuild primary residences to disaster victims. See Section 9.

F. Aid to Families with Dependent Children

Aid to Families with Dependent Children (AFDC) may provide Non-Recurring Special Needs (NRSN) grants to eligible recipients to pay for interim shelter or temporary housing, to make essential repairs to a damaged home owned by an AFDC family, and to move and store personal property. AFDC also administers the Homeless Assistance Program (HAP) which provides temporary and permanent housing assistance to homeless families. See Section 12.

G. California Housing Finance Agency

The California Housing Finance Agency (CHFA) makes available single family home loans with lower interest rates to low-income homebuyers. For example, following the 1994 Northridge earthquake, CHFA offered no-down payment, low-interest mortgages to first-time homebuyers who were renters in the San Fernando Valley area and were displaced from their rental units due to damage caused by the disaster.

Endnotes

1. 42 USC § 5174, 44 CFR § 206.101
2. 44 CFR § 206.101(g)

3. Public Law No. 104-19, § 2006 (Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-Terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995)
4. Public Law No. 104-193
5. 61 Fed. Reg. 45985 (8/30/96) (AG Order No. 2049-96, Specification of Community Programs Necessary for Protection of Life or Safety Under Welfare Reform Legislation)
6. 42 USC § 5174(e)
7. 42 USC § 5174(a), 44 CFR § 206.101(g)
8. 42 USC § 5174(b), 44 CFR § 206.101(g)(3)
9. 44 CFR § 206.101(g)(4)
10. 44 CFR § 206.101(g)(4)(iii)
11. 44 CFR § 206.101(f)(1)(ii)
12. 44 CFR § 206.101(g)(1)(ii)
13. 44 CFR § 206.101(g)(1)
14. 44 CFR § 206.101(g)(1)(i)
15. 44 CFR § 206.101(g)(2)

Proof Requirements for the Recertification of Self-Employed Workers and Employees

Self-Employed	Employees
1. Proof of payment of rent or mortgage with MRA grant--landlord/lender certification that rent or mortgage has been paid	1. Proof of payment of rent or mortgage with MRA grant--landlord/lender certification that rent or mortgage has been paid
2. Most recent income tax return	2. Most recent income tax return
3. Proof of insurance (where applicable)	3. Proof of insurance (where applicable)
4. Complete financial disclosure for all household members and all income sources	4. Complete financial disclosure for all household members and all income sources
5. EDD claim/payments, if any	5. EDD payments
6. Business information-monthly profit/loss statements, quarterly tax return, sales tax report to Board of Equalization	6. Record of employment search
7. Copy of SBA EIDL application to reestablish business	

Comparison of HR, IFGP and SBA Housing Assistance

	FEMA Housing Assistance Home Repairs	IFGP Home Repairs Program (See Sec. 8)	Small Business Administration (See Sec. 9)
Assistance Type	Grant	Grant	Loan
Time Limit To Complete Repairs	Within 30 days; if audited, applicant will have to provide documentation for proper use of funds	None	None
Purpose of Assistance	Short term repairs to essential living areas	Repair, replace, rebuild	Extensive repairs; replacement of destroyed home
Amount	FEMA maximum set for each disaster	Grants were \$23,100 as of 10/96 (IFGP" \$13,100 plus state supplemental grant: \$10,000)	Repair loans to \$200,000; personal property replacement loans to \$40,000; Maximum loan: \$240,000
Other Information	Generally one time payment for repairs only	Flood insurance required	If all or part of loan not granted, application will be referred to IFGP; flood insurance required

Section 8: INDIVIDUAL AND FAMILY GRANT PROGRAM (IFGP)

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INDIVIDUAL AND FAMILY GRANT PROGRAM (IFGP)

OVERVIEW

The Individual and Family Grant Program (IFGP)¹ assists survivors primarily with the repair or replacement of eligible personal property, moving and storage costs, tools, transportation-related costs, medical/dental expenses and eligible housing repairs over \$10,000. IFGP is a program of last resort available when disaster survivors do not qualify for other assistance programs.

Please refer to the charts at the end of Section 6 (Chronology of FEMA, SBA and IFGP Applications and Overview of FEMA and Non-FEMA Disaster Individual Assistance Programs Available for Renters and Homeowners), as well as the rest of the information in Section 6 (Key Information for Disaster Assistance Applicants). There is a helpful chart at the end of Section 7 (Comparison of HR, IFGP, and SBA Housing Assistance), and another at the end of Section 12 (Public Assistance and Disaster Assistance Programs for Disaster Victims) that cross-reference IFGP with public assistance programs.

I. THE MECHANICS OF IFGP

A. Application to IFGP

In order to be eligible for an IFGP grant, applicants must complete the FEMA application process, which may require completing an SBA application. If it is not completed, the applicant will not be eligible for an IFGP grant for real property, personal property, tools or transportation.

However, IFGP eligibility for medical/dental, funeral, and moving/storage disaster-related expenses are processed without a SBA application because SBA does not cover or include these costs. Applications that SBA either rejects or grants in part are forwarded to FEMA and if FEMA determines that there are FEMA-eligible damages not covered by SBA, FEMA will refer the case to IFGP. There is a summary denial procedure from the SBA program so applications of low-income people should be expeditiously forwarded from SBA to FEMA and IFGP.

Applicants receiving public benefits or persons fearful about obtaining public benefits should be advised that IFGP is not a welfare program and does not affect eligibility for public benefits such as Aid to Families with Dependent Children (AFDC) (See Section 12), Supplemental Security Income (SSI) (See Section 12), or Food Stamps (See Section 11).²

B. Funding for IFGP

IFGP is cost-shared between the federal government and the State of California. As of October 1996, the basic IFGP grant maximum was \$13,100. In addition, the State of California may provide up to \$10,000 more per household through the State Supplemental Grant Program. The California State Department of Social Services (DSS) administers the program. Grant amounts vary depending on the disaster damage sustained, but most grants are less than \$2,000.

Applicants receive checks from the State Controller's Office in Sacramento. The checks look like welfare checks and include many warnings about fraud.

II. BASIC ELIGIBILITY REQUIREMENTS

An individual or a family, a tenant or a homeowner, who lives in the disaster area and who suffered damage during a disaster should apply for disaster assistance.

A. A Necessary Expense for a Serious Need

FEMA defines a necessary expense as the cost of a serious need which the disaster directly caused. A serious need is "an item or service essential to an individual or family to prevent, mitigate, or overcome a disaster-related hardship, injury, or adverse condition."³ See Paragraph IV.B.

B. Mandatory Application for All Available Assistance

Applicants must apply for all other forms of assistance that can cover these expenses. This includes obtaining assistance from voluntary agencies for replacement of personal property and clothing and applying for insurance to cover expenses. Applicants must apply for SBA loans for home repairs even if they feel that they will be rejected because of inability to repay a loan.

C. No Refusal of Other Assistance

Applicants who receive money, loans or in-kind contributions from other programs, insurance companies or charitable organizations may not refuse them. Applicants must be found ineligible for SBA loans. Applicants must accept SBA loans if they qualify.

D. No Duplication of Benefits

Because processing times vary, households may receive grants from insurance, charitable organizations or other governmental programs at different times. They must reimburse IFGP when they receive the duplicate payment. For example, IFGP pays for new household furniture. Later a welfare program or insurance policy pays for the identical replacement furniture. The household must repay the State of California for the amount of the IFGP grant.

E. Only One Grant Per Household

A family living in one household may make only one application. FEMA defines a family as legally married individuals, a couple living together as if they were married, a single person with dependents, two or more persons who own a home together and their dependents. However, besides the aforementioned categories, unrelated adults who live together should submit separate applications.

F. Immigration Status

FEMA gives each state the option of using the same declaration process that FEMA uses.

G. Flood Insurance

Applicants who live in a flood plain who wish to replace or repair damaged homes must purchase and maintain flood insurance. If a disaster destroys or damages their home a second time and they have not paid for flood insurance, FEMA will find them ineligible for IFGP funding. A first time IFGP grant can include payment for one year of flood insurance.

III. APPLICATION DEADLINE -- 60 DAYS

The basic deadline for application is **60 days from the date that the President issues the disaster declaration.** However, because this is a program of last resort there are two other ways to get FEMA to accept an application:

A. Extenuating Circumstances⁴

Late applicants must show that they were not able to apply because of circumstances beyond their control. FEMA defines extenuating circumstances to include hospitalization, illness or inaccessibility of application centers. If late applicants can prove extenuating circumstances, then they have **an additional 30 days** to apply.

B. SBA Loans

As mentioned previously, in order to apply for an IFGP grant, applicants must complete the FEMA application process, which may require completing an application to SBA. See Paragraph I.A. above and Section 6-7. (Note that SBA loans for economic injury have a nine month application deadline, which is much longer than the SBA home and business loan application deadlines.) Applicants should be strongly encouraged to submit a SBA application, even if the deadline has passed. Applicants who cannot afford to repay a loan are eventually forwarded to IFGP. If SBA accepts a late application because of "substantial causes essentially beyond the control of the applicant," then refers the application to the IFGP, then IFGP must accept the late application as well.

IV.

IFGP BENEFITS⁵

A. Housing

These grants are available only to **owner-occupants** for their **primary residence**. Examples of proof of primary residence include mortgage statements, leases, utility bills with names and address of occupants, driver's license with primary address, declarations from neighbors or the post office. Mobile homes and travel trailers are included if they are the primary residence. Money is available to:

1. Repair, replace or rebuild;
2. Provide access, e.g., repair damaged entry road;
3. Clean or make sanitary;
4. Remove debris; or
5. Provide minimum protection against immediate threat of damage.

FEMA inspectors make initial damage estimates. FEMA issues checks for real property damage not exceeding \$10,000. If the damage exceeds \$10,000, then the applicant will be referred to IFGP for a real property grant award (if the applicant does not qualify for an SBA loan). See Section 6-7.

B. Personal Property

This grant is available to both tenants and homeowners. The disaster must damage or destroy property which has been designated "necessary." The amount of the grant depends on:

1. Extent of the loss or damage;
2. If repair or replacement is necessary; and
3. The price range DSS has allocated.

The program covers only **essential personal property** such as clothing, household furnishings, appliances, school books and supplies. Dishes are considered "essential personal property", but crystal is not. Similarly, a winter coat is essential, but a fur coat is not. Items which the disaster victim considers essential may not be so defined by IFGP.

IFGP requires no proof of ownership for personal property. However, verification of disaster-related damage is required.

C. Moving and Storage

This category includes expenses to move personal property out of a damaged home that is uninhabitable. It includes the cost of up to two months of storage during the repair period. Estimates or receipts are essential to obtain this benefit. IFGP covers only the actual cost up to a maximum as provided in IFGP's pricing guidelines. See Paragraph VI. New pricing guidelines are published annually, as a part of the State plan.

D. Tools

This program is available only for employed persons who must provide essential tools or work clothing as a condition of employment. An employer must provide a declaration stating that the tools and clothing were mandatory for employment. Households receive only the amounts that DSS has allocated to each item.

This program is **not** available to **self-employed** individuals.

E. Transportation

IFGP provides funds to replace or repair cars, trucks, motorcycles, bicycles, etc. It covers only a vehicle which serves as a disaster survivor's sole means of transportation. In some communities, IFGP will provide funds for public transportation for an extended period of time. IFGP may pay for towing vehicles to repair shops if the repair damages prove to be program-eligible. IFGP will pay for repairs to only **one car**. However, families may demonstrate special needs including employment, medical reasons or lack of alternative public transportation that necessitate repair of a second car or truck.

Applicants must provide:

1. Proof of ownership, including registration with the Department of Motor Vehicles current at the time of the disaster;
2. One official repair estimate or receipt, or, for a total loss, the salvage value; and
3. Proof of insurance or lack of replacement coverage.

In 1996, the maximum transportation award was \$5,000, regardless of the vehicle's value.

F. Medical/Dental Expenses

IFGP covers certain injuries or illness resulting from a disaster which are not covered in other programs -- e.g., Red Cross, VA, health insurance, county mental health. Awards can cover medical and dental treatment including surgery, hospitalization, medication and psychiatric services. However, psychiatric services are usually covered through county services. They also cover durable goods such as wheelchairs, prostheses, eye glasses, dentures and prescription drugs. Note that IFGP will only cover medical/dental needs that arose directly from the disaster. The Program will not cover pre-existing needs.

Proof of expense includes receipts or written estimates of cost of treatment, statements from insurance companies showing amount of coverage or lack of coverage, and statements from physicians, psychiatrists or dentists documenting disaster-related injury or need for treatment.

General Assistance/General Relief recipients are specifically precluded from receiving any medical or dental benefits from IFGP. The assumption is that they can obtain free care from a county facility.

G. Funeral Expenses

IFGP pays the funeral expenses of household members who died as a **direct result** of a disaster. The grant will cover services, burial costs and/or cremation. The maximum grant per household in 1996 was \$6,000 for burial and \$2,500 for cremation, per household.

Necessary verification includes a death certificate or coroner's report, receipts or written estimates for funeral, interment or cremation.

H. Flood Insurance

For homeowners in a flood area, IFGP will pay the first year's premium of flood insurance through the National Flood Insurance Program (NFIP). Owners must purchase and maintain the insurance in order to qualify for IFGP in the event of destruction or damage in another disaster. For information about the NFIP, call 1-800-638-6620.

I. Cost Estimates and Other Necessary Expenses

In some cases, IFGP funds are available to pay for estimates from doctors, dentists, funeral directors and vehicle repair shops (with appropriate documentation) for damage necessary to determine eligibility. Estimates for appeal purposes are excluded. Any necessary expense not included in another category is included under "other." Applicants must prove both the necessity for, and the cost of, the expenditure.

J. Limits on IFGP Spending and Duplication of Benefits

Households must spend IFGP funds only on the category for which FEMA designates them. If a household spends the money on other needs, it must refund any part of the grant improperly spent. For example, a household receives IFGP funds for home repairs and spends the money on mortgage payments. FEMA will require the household to repay the grant.

In addition, households that receive payment from other sources after having spent IFGP funds must repay the portion of the IFGP grant that covered the same category of need. For example, IFGP provides money to replace essential clothing. Later, insurance also pays for clothing replacement. The household may have to repay FEMA/IFGP. However, if the total IFGP-eligible expenses exceed the IFGP grant and the insurance payment, then the household need not repay.

Any household that receives benefits should keep all receipts and records for at least three years. FEMA conducted grant audits from the 1994 Northridge Earthquake in the beginning of 1995 while it was providing new grants during the 1995 Winter Storms.

V. ITEMS NOT COVERED BY IFGP⁶

These include business losses, improvements and additions to property, landscaping, recreational property, luxury and decorative items and debts owed prior to the disaster.

VI. CALCULATION OF BENEFITS

DSS annually establishes a pricing guide for necessary items. The amount of the grant depends on the extent of damage or loss, whether items can be repaired or must be replaced. DSS requires written receipts or estimates. IFGP grants have a fixed maximum for any category, regardless of the actual loss.

C. Written Appeal Letter and Documentation

Applicants must **postmark** appeals **within 60 days of the date on the IFGP Notification**. They must include in the letter proper identification of the denial, including the Application/Control number from the notice, and documentation to support the appeal to:

**Individual and Family Grant Program
Department of Social Services
Disaster Response
744 "P" Street, MS 19-43
Sacramento, CA 95814
Attention: Appeals Officer**

The letter should include the following:

1. Categories of assistance appealed;
2. Reasons for disagreement with the decision; and
3. Copies of documentation that support the appeal.

The appeals process must allow written evidence, a determination based on the record, and a decision by an impartial person or board.

Endnotes

1. 42 U.S.C § 5178, 44 CFR § 206.131.
2. 44 CFR § 206.131 (b).
3. 44 CFR § 206.131 (c)(1),(2).
4. 44 CFR § 206.131 (1)(1) (ii).
5. 44 CFR § 206.131 (d)(2).
6. 44 CFR § 206.131 (d)(3).
7. 44 CFR § 206.101 (e)(1)(ii)(G), (H).

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U.S. SMALL BUSINESS ADMINISTRATION DISASTER LOAN PROGRAM

OVERVIEW

Low-interest loans from the U.S. Small Business Administration (SBA) are the primary form of federal assistance for long-term recovery for **homeowners, non-profit organizations, renters and non-farm businesses of all sizes**. These SBA loans fund repair of damages to private property not fully covered by insurance. Loans may also include funds for mitigation measures to minimize damage from future disasters of the same kind. 15 U.S.C. 636(b), 13 CFR Part 123.

By making affordable loans, the SBA disaster program helps disaster victims pay for repairs while keeping costs to the taxpayer reasonable. If SBA analyzes the income and debts of a homeowner or renter and determines that the disaster victim cannot afford an SBA disaster loan, SBA will automatically refer the applicant to the Individual and Family Grant Program for possible grant assistance. See Section 8. Please refer to the charts at the end of Section 6 (Chronology of FEMA, SBA, and IFGP Applications and Overview of FEMA and Non-FEMA Disaster Individual Assistance Programs Available for Renters and Homeowners). There is also a helpful chart at the end of Section 7 (Comparison of HR, IFGP, and SBA Housing Assistance), as well as the checklists and advice in Section 6.

Businesses of all sizes and non-profit organizations may apply for low-interest SBA disaster loans to fund repairs or replacement of real estate, machinery and equipment, inventory and other business assets. These loans are available for losses not fully covered by insurance. For **small** businesses only, SBA also makes Economic Injury Disaster Loans (EIDLs) to provide working capital to pay necessary obligations until operations return to normal after the disaster. (The definition of a "small" business is provided in the Standard Industrial Classification manual.) These working capital loans are available to businesses financially impacted by the disaster, even if they had no property damage. EIDLs are also available to small businesses located in counties contiguous to the declared counties.

SBA personnel are available to assist with completing application forms at no charge. For more information, disaster victims may call the SBA Disaster Assistance information line at **1-800-488-5323**.

I. THREE MAJOR DISASTER ASSISTANCE PROGRAMS

A. Home Disaster Loans

SBA disaster loans are available to homeowners to repair or replace disaster damages not fully covered by insurance to real estate and personal property owned by the victim. Renters are eligible for personal property loans. **The application deadline for home disaster loans is 60 days from the disaster declaration date.**

SBA disaster loans of up to \$200,000 are available to **homeowners** for real estate repairs to their primary residence to return the property to its pre-disaster condition, and up to \$40,000 to replace personal property such as furniture, household items, personal items and automobiles. The amount of money that SBA can loan depends on the actual cost of repairing or replacing the damage, less insurance recovery, grants, etc. If SBA analyzes the income and debts of the homeowner and determines that the disaster victim cannot afford an SBA disaster loan, SBA will automatically refer the applicant to the Individual and Family Grant Program. See Section 8.

Renters are eligible for personal property loans of up to \$40,000 to replace personal property such as furniture, household items, personal items and automobiles. If SBA analyzes the income and debts of the renter and determines that the disaster victim cannot afford an SBA disaster loan,

SBA will automatically refer the applicant to the Individual and Family Grant Program. See Section 8.

1. Eligibility

- a. Applicants must have owned the damaged property at the time of the disaster and
- b. All physical losses or damages to real or personal property must have been as a direct result of the disaster.

2. Limitations and Conditions

These loans may not be used to:

- a. Repair or replace secondary residences or vacation properties;
- b. Repair or replace recreational vehicles, luxury items, etc.; or
- c. Upgrade or make additions to the home, unless required by building codes.

SBA requires that borrowers maintain receipts and records of all loan expenditures for three years. **If SBA determines that the loan has been misused, borrowers must repay one and a half times the original amount of the loan.**

3. Verification and Documentation

Applicants must provide the following information with the loan application, or after the application has been approved:

- a. Social Security number;
- b. Deed of trust for homeowners or title if the home is a manufactured home;
- c. Rental or lease agreement for renters;
- d. Internal Revenue Service Form 8821 (authorization for SBA to obtain Federal Tax Returns);
- e. Itemized list of personal property loss with estimates of repair or replacement costs;
- f. Copy of insurance settlement or denial, adjuster's proof of loss or schedule of coverage if claim has not been settled;
- g. Vehicle registration, if applicable; and
- h. Current pay stub if employment changed within the past two years.

After an applicant submits a loan application, an SBA loss verifier will inspect the property to determine the cost of repairs. SBA loan amounts are based on this inspection. The time frame between submission of loan application and inspection will vary, depending on the size of the disaster. Generally, for small disasters, the inspector will come within a few days. The time frame will be significantly longer for large disasters.

4. Credit Requirements

- a. SBA's disaster assistance is in the form of low-interest loans. Applicants must show a reasonable assurance of their ability to repay all loans and must demonstrate a reasonable assurance that they will comply with the terms of a loan agreement, based upon their credit history (as reported by a credit bureau).
- b. Applicants must not be delinquent on a federal debt obligation or child support payments.

5. Collateral Requirement

Collateral is required for all physical loss loans over \$10,000. SBA takes real estate as collateral where it is available. Applicants do not need to have full collateral; SBA will take what is available to secure each loan. However, if a borrower refuses to pledge collateral, SBA may decline a disaster loan for that reason.

6. Term of Loan

The law authorizes loan terms of up to a maximum of 30 years. SBA determines the term of each loan in accordance with the borrower's ability to repay the loan. Based on the financial circumstances of each borrower, SBA determines an appropriate installment payment amount which, in turn, determines the actual term of the loan. Generally, the first payment on disaster loans is not due until five months after the date of the loan.

B. Business Physical Disaster Loans

Businesses of all sizes and non-profit organizations may apply for low-interest SBA disaster loans to fund repairs or replacement of damaged or destroyed real estate, machinery and equipment, inventory and other business assets. These loans are available up to \$1.5 million for losses not fully covered by insurance. **The application deadline is 60 days from the disaster declaration date.**

1. Eligibility

- a. Applicant must have been the owner of the damaged property, or was a commercial tenant or a non-profit organization responsible for the damage at the time of the disaster;
- b. All physical losses or damage to real property must have been caused by the disaster; and
- c. Applicant must have the ability to repay the loan.

2. Verification and Documentation

The following information must be provided with the loan application, or after the loan application has been approved:

- a. Deed of trust, mortgage, lease or rental agreement;
- b. Brief history of the business;
- c. Personal and business financial statements;
- d. Internal Revenue Service form 8821 (authorization for SBA to obtain Federal Tax Returns);

- e. Itemized list of losses with estimates of repair or replacement costs; and
- f. Copy of insurance settlement, adjuster's proof of loss or schedule of coverage if claim has not been settled.

3. Credit Requirements

- a. SBA's disaster assistance is in the form of low-interest loans. Applicants must show a reasonable assurance of their ability to repay all loans and must demonstrate a reasonable assurance that they will comply with the terms of a loan agreement, based upon their credit history (as reported by a credit bureau).
- b. Applicants must not be delinquent on a federal debt obligation or child support payments.

4. Collateral Requirement

Collateral is required for all physical loss loans over \$10,000. SBA takes real estate as collateral where it is available. Applicants do not need to have full collateral; SBA will take what is available to secure each loan. However, if a borrower refuses to pledge collateral, SBA may decline a disaster loan for that reason. For businesses, personal guarantees of the principals may be required.

5. Term of Loan

For businesses that are unable to obtain credit elsewhere, the maximum term is 30 years. Maturity dates and installment terms are determined by the borrower's needs and ability to repay. However, for businesses with credit available elsewhere, the law limits the loan term to a maximum of three years.

C. Economic Injury Disaster Loans

For **small** businesses only, SBA also makes Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to provide working capital to pay necessary obligations until operations return to normal after the disaster. These working capital loans are available to businesses financially impacted by the disaster, even if they had no property damage, and are also available to small businesses located in counties contiguous to the declared counties. EIDL assistance is available only to applicants with no credit available elsewhere; this means that the business owners cannot provide for their own recovery from non-government sources as determined by SBA. **The application deadline is nine months from the disaster declaration date.**

1. Eligibility

- a. Applicant was owner of the property or the commercial tenant responsible for damage at the time of the disaster;
- b. Applicant has the ability to repay the loan; and
- c. A change in the financial condition of the business due to the disaster renders the business unable to pay its debts and ordinary and necessary operating expenses (a lack of profit or loss of anticipated sales is not enough).

2. Verification and Documentation

The following information must be provided with the loan application, or after the loan application has been approved:

- a. Deed of trust, mortgage, lease or rental agreement;
- b. Brief history of the business;
- c. Personal and business financial statements;
- d. Internal Revenue Service form 8821 (authorization for SBA to obtain Federal Tax Returns);
- e. Itemized list of losses with estimates of repair or replacement costs;
- f. Copy of insurance settlement, adjuster's proof of loss or schedule of coverage if claim has not been settled; and
- g. Balance sheets and operating statements for comparative periods of time.

3. Credit Requirements

- a. SBA's disaster assistance is in the form of low-interest loans. Applicants must show a reasonable assurance of their ability to repay all loans and must demonstrate a reasonable assurance that they will comply with the terms of a loan agreement, based upon their credit history (as reported by a credit bureau).
- b. Applicants must not be delinquent on a federal debt obligation or child support payments.

4. Collateral Requirement

Collateral is required for all EIDL loans over \$5,000. SBA takes real estate as collateral where it is available. Applicants do not need to have full collateral; SBA will take what is available to secure each loan. However, if a borrower refuses to pledge collateral, SBA may decline a disaster loan for that reason. Personal guarantees of the principals may be required.

D. Statutory Loan Limits

The \$1.5 million statutory limit for business loans applies to the combination of physical and economic injury, and also applies to all disaster loans to a business and its affiliates. If a business is a major source of employment, SBA has the statutory authority to waive the \$1.5 million limit.

II. SBA LOANS AND OTHER ISSUES

A. Referral to Individual and Family Grant Program (IFGP)

A homeowner or renter who has applied for an SBA loan may be referred to IFGP for a grant if SBA determines that the applicant is unable to qualify for an SBA loan. In situations where the borrower cannot repay a larger loan, SBA may refer the applicant to the IFGP for a grant to supplement a lower SBA loan. The referral is automatic. There are no additional applications which need to be made by the applicant. The IFGP program is available only to homeowners and renters. See Section 8.

If an applicant qualifies for an SBA loan and refuses to accept the loan, the applicant **will not be referred to IFGP.**

B. Insurance

Applicants do not have to wait for their insurance settlement before applying for an SBA loan. SBA can lend them the full amount of their damages (up to the lending limit) even before they receive their insurance recovery. Then SBA can use the insurance funds to reduce the balance of their disaster loan.

Insurance proceeds that are required to be applied against outstanding mortgages may be included in disaster loan eligibility. Insurance proceeds that are voluntarily applied against outstanding mortgages by the owner may not be included in disaster loan eligibility.

Applicants who did not comply with the terms of previous loans or who did not maintain required flood insurance for the insurable value of the property are ineligible for an SBA loan.

Borrowers are required to maintain appropriate insurance coverage for the life of the loan.

C. Interest Rates

Interest rates are determined by formulas set by law, and may vary over time with market conditions.

The laws that govern the disaster loan program require the SBA to determine whether credit is available elsewhere to all disaster loan recipients from non-government sources in the amount needed to effect full repairs, without creating an undue financial hardship. Accordingly, the availability of sufficient credit (based on cash flow and available assets of the applicant) from non-government sources on reasonable terms and conditions is determined through a comprehensive analysis of all the financial information submitted for consideration. This test is uniformly applied to all disaster loan recipients. Generally, SBA determines that more than 90% of disaster loan applicants do not have credit available elsewhere.

As of July 31, 1997, the applicable interest rates are:

	No Credit Available	Credit Available
Home Loans	4.000%	8.000%
Business Loans	4.000%	8.000%
Non-Profits	4.000%	7.125%
EIDL	4.000%	n/a

Call SBA at 1-800-488-5323 to inquire about current interest rates.

D. Immigration Status

SBA does not require proof of immigration status. Please note, however, that Social Security numbers are required for disaster loans.

E. Reconsiderations and Appeals of Declined Applicants

Applicants who are denied an SBA loan can request a reconsideration in writing within six months of the decision denying the loan. The request must explain why the decision is wrong and include any new information which supports the request. For example, the applicant may have increased his/her ability to repay the loan. Perhaps the applicant's income rose or the applicant refinanced his/her home. The notification letter will provide instructions on who to send the request to and where to send it.

If the request for reconsideration is denied, a **written appeal** may be filed within **30 days**. The appeal should address the reasons for denial, listed in the denial letter. After the appeal is submitted, it may be amended with further information. The appeal should be sent to:

U.S. Small Business Administration Disaster Office
P.O. Box 13795
Sacramento, CA 95853

The decision on the appeal is **final**.

F. Refinancing

SBA can refinance all or part of prior mortgages, evidenced by a recorded lien, when the applicant:

1. Does not have credit available elsewhere;
2. Has suffered substantial damage (40% or more of the value of the pre-disaster fair market value of the property); and
3. Intends to repair the damage.

Refinancing of prior debts improves the victim's ability to afford the SBA disaster loan.

G. Mitigation Measures

SBA can provide additional low-interest loan funds to homeowners and business owners to assist with the cost of constructing preventive measures. These funds may be available in addition to the amount loaned to repair damages caused by this disaster. The maximum additional loan amount is limited to 20 percent of the loan amount for damages.

H. Loan Modifications

Loans can be modified if the borrower can substantiate in writing a change of circumstances which affects ability to repay, or justify a change in the purpose of the loan.

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DISASTER UNEMPLOYMENT ASSISTANCE

OVERVIEW

Disasters cause damage to work places and injury to workers. In addition to losing home and property, survivors may lose their jobs. They need advice about disaster assistance, wages, benefits and other employment rights. Without this assistance, many may become homeless. Disasters also impact the self-employed. Survivors without income frequently encounter serious financial problems. Refer to Section 13C for a summary of general employment issues.

I. DESCRIPTION OF DISASTER UNEMPLOYMENT ASSISTANCE (DUA)

DUA is a special form of unemployment insurance for disaster victims. See 42 U.S.C. § 5177, 20 CFR Part 625.1 et seq. and 60 Fed. Reg. 25560 (5/11/95)(Interim Final Rule amending § 625.6)¹. DUA provides funds to individuals who are ineligible for regular unemployment insurance.

DUA is a federal program funded by FEMA. The Department of Labor (DoL) and the California Employment Development Department (EDD) administer the program. Individuals apply for disaster relief in the same manner as they apply for regular Unemployment Insurance (UI), i.e., at their local EDD office, or, where available, by telephone or electronically. (For the phone number of the local EDD office, look in the State government listings in the White Pages of the phonebook.) In addition to unemployment insurance, disaster survivors are eligible for local employment services.

II. ELIGIBILITY

A. In General

After the President declares a major disaster, DUA becomes available to any unemployed worker or self-employed individual who lived, worked or was scheduled to work in the disaster area.

The unemployment must be a **direct result of the disaster**. Several categories of precondition qualify a worker. The worker:

1. No longer has a job or a place to work;
2. Cannot reach the place of work;
3. Cannot work due to damage to the place of work;
4. Cannot work because of injury caused by the disaster; or
5. The head of household died and another individual becomes the major support of the household and is seeking work.

To qualify for DUA a claimant must not be entitled to any other UI, to waiting period credit for UI or to state disability insurance. The claimant may not be under a disqualification from a previous application for UI benefits, unless the claimant has found intervening work and has lost his/her most recent job because of the disaster. The claimant must accept suitable jobs offered and must conduct a job search while receiving DUA.

DUA is not based on need. This program provides a weekly income to individuals who are out of work through no fault of their own.

B. Unemployed Workers

Individuals who are unemployed as a direct result of the disaster are eligible for DUA if they are **not eligible for regular unemployment benefits** or other wage replacement payments.

Employees must have been employed or about to begin employment in the disaster area at the time of the disaster. The job must have been the primary source of income for the individual.

C. Unemployed Self-Employed Individual

DUA is available to any individual who is self-employed or about to be self-employed in the disaster area at the time of the disaster. Self-employed for DUA means that the individual's principal source of income was from the performance of services by the individual in the individual's own business or on the individual's own farm.

Individuals qualify if they are unable to work, unable to reach the work place or cannot provide services because of a disaster-related injury.

For the self-employed, EDD uses net earnings, as well as any wages, to establish the DUA amount. If the self-employed individual had **no net earnings or a net loss** from self-employment activities, the individual will be paid the minimum DUA weekly benefit.

Past income during the individual's base period determines benefits. The greater one's income, the greater the DUA benefit.

D. Farm Workers

Disasters frequently prevent migrant farm workers from performing their customary agricultural work. When the workers are in one state, and disaster strikes in the state to which they are moving or plan to move, they may be eligible for UI benefits. Workers who obtain regular UI benefits are not eligible for DUA. However, some farm workers are not eligible for regular UI because, for example, they are:

1. Not covered by UI or
2. Not monetarily eligible for UI.

Both of these categories of farm workers may be eligible for DUA. They may file their claims on an interstate basis (i.e., in their home states).

E. Immigration Issues

Individuals who file claims for UI or DUA benefits must indicate their immigration status. Individuals must be able to present proof of INS work authorization. EDD requires proof of work authorization for the period during which the individual is collecting DUA and for the past "base period." Persons who are undocumented and without work authorization are not able to obtain benefits.

F. Injured Workers

1. Disaster-Related Injuries

DUA, in contrast to regular UI, allows workers injured as a result of a disaster to collect benefits. This includes injuries at the work place or anywhere else.

2. Nondisaster-Related Injuries

Nondisaster-related injuries may qualify an individual for state disability, workers' compensation or other insurance programs, but **not DUA**. State disability is for nonwork-related injuries, illnesses or medical procedures. Workers' Compensation is for work-related injuries that are a result of working conditions. Just because the injury happened during the disaster period does not mean it was disaster-related.

3. Mental Stress

Injuries include mental stress related to the disaster. Claimants who claim injury based on mental stress must provide a doctor's verification of the condition **and** that the condition was caused by the disaster. Persons who suffer from stress and do not have medical insurance to pay for treatment may get funds through the Individual and Family Grant Program (IFGP). See Section 12-6. FEMA also provides on-site crisis counseling for mental health assistance at Disaster Application Centers and one-on-one counseling for seriously ill persons.

III. DEADLINES, BENEFIT PERIOD

Applicants must apply for DUA within **30 days** of the announcement of the disaster declaration and of the availability of DUA. (Usually this is computed from the date that EDD sends out a press release announcing the availability of DUA.)

Applicants who have good cause can file late applications for DUA, although not after the Disaster Assistance Period has ended. A worker whose disaster-related unemployment is delayed until more than 30 days after the disaster may have good cause for filing a late application for DUA. (For example, a farm worker who usually would not report to work to harvest strawberries until April may have good cause for filing a DUA application in April, even though the floods which destroyed the strawberry crop he would have harvested occurred in January and the 30-day deadline for DUA applications was therefore in February.)

DUA benefits are payable for 26 weeks. This is called the **Disaster Assistance Period**. It begins with the first week following the date of the disaster and ends 26 weeks later. Individuals cannot apply for DUA after the end of the Disaster Assistance Period.

Both the regional DoL office and EDD usually publish Fact Sheets for each disaster, listing the application deadlines, Disaster Assistance Period, etc. Information and copies can usually be obtained from the DUA Specialist at EDD in Sacramento and from the Unemployment Insurance Specialist, Employment and Training Administration (ETA), U.S. Department of Labor Regional Office in San Francisco. The latter will also usually provide copies of DoL Unemployment Insurance Program Letters, which clarify and interpret the DoL regulations. (Look in the government pages of the White Pages of the phonebook for the phone numbers of these agencies.)

IV. BENEFIT CALCULATIONS AND AMOUNTS

DUA is paid just like unemployment insurance, with a weekly check. EDD computes DUA benefits using the same method it uses to compute UI benefits. It calculates the amount of each check based on the amount earned during a "base period". For DUA, the base period is the individual's most recent tax year, which for most taxpayers will be the calendar year preceding the disaster.

For **employees**, DUA benefits are computed based on wages earned during the most recent tax year. For **self-employed** individuals, DUA benefits are computed on the basis of the net income from **services** reported on the individual's tax return for the most recent tax year. In the case of a family business, the net income is divided evenly among all the adult family members regularly working in the business, unless the family members submit documentation supporting a different allocation of income.

DUA benefit amounts are calculated using the same formula as for regular UI, based on the amount earned during the highest quarter of the DUA base year. (See Unemployment Insurance Code § 1280.) However, no claimant will receive DUA benefits which are greater than the maximum regular UI benefit payable in the state. (The maximum weekly UI benefit in California in 1996 is \$230/week.) Nor will anyone who is eligible for DUA receive less than the minimum **DUA** benefit, which is 50% of the average weekly UI payment in the state. (In California, the average weekly payment during 1996 was between \$150-\$155/week, so the **minimum DUA benefit** would have been slightly over \$75/week.)

The **minimum DUA benefit** is paid to individuals who provide documentation of eligibility for DUA but not of earnings or net income, and to those who are eligible for DUA because they were prevented from future employment or self-employment because of the disaster but who have no earnings or income during the DUA base period.

DUA benefits are reduced proportionately for employees or self-employed individuals who customarily or routinely worked less than full time prior to becoming unemployed due to the disaster.

V. PROOF OF ELIGIBILITY, WAGES AND INCOME

EDD makes an immediate determination of: 1) Eligibility for DUA and 2) base period earnings or income when the individual applies for DUA. This determination is made on the basis of documentation provided by the applicant and information in EDD records. If the individual has no documentation, EDD makes an immediate determination based on the applicant's Statement of Employment or Self-Employment.

An individual who does not present documents at the time of application for DUA has 21 days to provide such documentation. If the individual does not present documentation of eligibility during that time, s/he will be declared ineligible for DUA and an overpayment will be declared. If the individual presents documentation of eligibility but not documentation of earnings or income, s/he will receive the minimum DUA benefit.

Individuals who do not present sufficient documentation within 21 days have until the end of the Disaster Assistance Period to submit documentation or additional documentation, at which time EDD will redetermine their eligibility and award benefits or higher benefits retroactively, if appropriate.

Examples of documentation include:

A. Employees

Employees may prove their wages and/or eligibility with the following documents:

1. W-2 form;
2. Income tax return or preparer's copy of same;
3. Check stubs/pay slips;
4. Other documents (e.g., statement from employer with wage information or a computerized printout of employer's wage documents submitted to EDD); or
5. Bank records.

B. Self-Employed

Persons who are self-employed may submit:

1. IRS Schedule C;
2. Business license;
3. Profit and loss statements;
4. Tax returns or preparer's copies;
5. Documents from accountants;
6. Work orders or receipts;

7. Form 1099;
8. Statement from bank verifying business account or payroll deposit account; or
9. Copy of deed or title to property.

VI. DUA LIMITATIONS

Under the regulations, **weekly payments are reduced** if the claimant receives any of the following benefits:

- A. Partial earnings from work;
- B. Insurance payments due to illness or disability (this includes workers' compensation, disability insurance or lost wages covered under various insurance policies);
- C. Benefits from a union or as the result of a union agreement; or
- D. Private income protection insurance.

VII. EFFECT OF TRADITIONAL UI DISQUALIFICATIONS

A. Able and Available for Work

Under traditional unemployment insurance, injured workers are not eligible for UI because they are not "able and available" for work. Injured workers usually receive workers' compensation or state disability benefits. However, in case of a disaster, persons **injured due to the disaster** are eligible for UI benefits. If the injury is not disaster-related, the person remains ineligible.

A worker can also get DUA if s/he is unable to reach the work place because of the disaster. Traditionally, such a worker would be disqualified because the job still exists, or, in other words, the job is available. For example, if the disaster destroys a worker's car or if the disaster destroys an essential bridge to the work place, the worker is eligible. However, the access problem must be caused by the disaster, not the employee's negligence.

B. Voluntary Quit or Termination for Misconduct

If an employee was disqualified from UI benefits because s/he had voluntarily quit or was terminated for misconduct from her previous job during the base period, s/he may still be eligible for DUA. However, s/he must show that s/he obtained new employment and that s/he lost this new job due to the disaster. This also applies if s/he was about to get a new job when the disaster struck.

VIII. DENIALS AND APPEALS

A. Reasons for Denials

An applicant who is denied benefits has a right to appeal. The major reasons for denials revolve around two types of problems. First are traditional UI reasons for denials such as voluntary quits, able and available for work, termination from employment for misconduct, etc. Second are procedural issues regarding the disaster such as timely filing for benefits, employment or self-employment status, earnings records and inadequate verification of job status or wages. An individual is not entitled to DUA if s/he is under a disqualification (unless the individual has obtained intervening employment which s/he has lost due to the disaster), has excessive disqualifying income, is employed and earning more than the weekly benefit amount, or is not able and available to work.

B. Appeals Process

1. First Stage

Appeals must be filed within **60 days** of the date the notice of denial is issued or mailed. In California, claimants are entitled to a face-to-face hearing before an administrative law judge (ALJ). They may present evidence, subpoena records and cross-examine witnesses.

For DUA, the ALJ must make and issue a decision within 30 days from the date the appeal is received. Notice of the decision must be personally delivered or mailed (whichever is most expeditious) to the claimant. Notice of the decision is also given to EDD and to the Regional Administrator, Employment and Training Administration, U.S. Department of Labor.

2. Second Stage

To appeal the decision of the ALJ regarding DUA, appeals are made to the Regional Administrator, ETA, U.S. Department of Labor. (The Regional Office for California is in San Francisco.) This appeal must be made within **15 days** of the date the ALJ decision is mailed or delivered in person to the claimant. The appeal may be filed directly with the Regional Administrator, or with EDD for forwarding to the Regional Administrator.

The Regional Administrator must make a decision within 45 days of the date the claimant filed the second stage appeal, or within 90 days from the date a claimant filed the first stage appeal, whichever is earliest.

3. Third Stage

The second stage is final. The Assistant Secretary of Employment and Training, U.S. Department of Labor, in Washington, D.C. may decide on his own motion to review the case further, but this is discretionary with the Assistant Secretary. Review by the Assistant Secretary is based solely on the written record. A claimant has 15 days from the time the Assistant Secretary mails notice that the appeal will be heard to present written arguments. The decision of the Assistant Secretary is final and conclusive and is a precedent applicable throughout the states.

IX.

OVERPAYMENTS

An overpayment occurs when a claimant receives DUA to which s/he is not entitled, or receives a greater DUA payment than s/he is entitled to receive. A claimant is required to repay any DUA overpayments. In addition, a claimant is penalized if s/he makes a false statement for the purposes of obtaining DUA. The treatment of overpayments and the penalties for fraud are different for DUA than for traditional UI.

Unlike traditional UI overpayments, DUA overpayments cannot be waived (i.e., forgiven) by the state, even if the claimant is without fault. DUA overpayments are collected in the same manner as traditional UI overpayments, e.g., by withholding future DUA benefits or traditional UI benefits, by seizing the "overpaid" claimant's income tax refund, etc.

A claimant who makes a false statement in order to obtain DUA, i.e., regarding eligibility, is penalized by being declared ineligible for DUA for the rest of the Disaster Assistance Period. A claimant who makes a false statement regarding a **week** of eligibility for DUA is penalized by being declared ineligible for DUA for that week and the next **two weeks**.

Endnotes

1. The Department of Labor published a request for comments regarding proposed changes to the DUA regulations at 59 Fed. Reg. 63670 (12/8/94), which at press time had not been adopted. The proposed changes would, if adopted, change many DUA eligibility requirements and also extend the application period from 30 to 60 days after the disaster announcement.

Section 11: DISASTER FOOD STAMPS

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DISASTER FOOD STAMPS

CAVEAT-- *In 1996, two laws were passed (The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 or PRWORA [Public Law No. 104-193], enacted August 22, 1996, and the Illegal Immigration and Immigrant Responsibility Act of 1996 [Public Law 104-208], enacted September 30, 1996, as a part of the Omnibus Continuing Resolution) which will change the public assistance programs referenced in this section. Although PRWORA eliminated SSI eligibility for most non-citizen legal immigrants, it appears that Congress is likely to substantially restore benefits to most immigrants who were receiving assistance in August, 1996, and possibly to other groups of non-citizens (e.g. disabled). The State of California will be implementing changes in the Aid to Families with Dependent Children (AFDC) and Food Stamp programs during 1997. Be sure to obtain current information on the requirements for each of the assistance programs listed in this chapter.*

As of the printing date of this publication, it appears that many non-citizen legal immigrants will no longer be eligible to receive Food Stamp¹. However, legal immigrants who fit into the following categories of exceptions will still be able to receive Food Stamps:

1. *United States citizen;*
2. *Immigrant, or spouse or dependent children is/are a veteran (honorably discharged) or in the armed services (active duty in the U.S.);*
3. *Immigrant or spouse (or parents while immigrant was under age 18) worked in the United States for a total of 40 quarters (depending on the family situation, this could mean for 5 years for worker or spouse); or*
4. *Refugee, asylee, or person granted withholding of deportation within first 5 years of being granted this status.*

OVERVIEW

Food Stamps are coupons that are used to buy food. The income and resource tests for Food Stamps are more liberal than other public assistance programs and, consequently, many individuals and families are eligible. During a disaster in which many persons lose their homes and jobs, providing adequate food becomes a major problem. Initially, the Red Cross will provide emergency food in shelters. However, if large numbers of persons are camping in public parks or arsenals, the United States Department of Agriculture (USDA) may make Food Stamps easily available to survivors for a limited time.

Please refer to the chart at the end of this Section, which summarizes Food Stamp eligibility for current recipients and for new applicants. People who are eligible for Food Stamps may be eligible for other benefits as well. Refer to Section 12 for a description of public benefit programs that disaster victims may be eligible for. There is a useful chart at the end of Section 12 describing Food Stamp, public benefit and disaster benefit programs for families, individuals, seniors and disabled people.

I.

DISASTER FOOD STAMP BENEFITS

A. General Information

There are two separate and very different provisions for disaster Food Stamps which operate independently -- 7 U.S.C. §§ 2014(h)(1) (Disaster Temporary Emergency Food Stamps) and 2014(h)(3) (Replacement Food Stamps). The concept of disaster Food Stamps is to help people with their temporary emergency food needs which arise from the disaster. This includes people normally not eligible for regular Food Stamps who have lost their jobs, been forced from their homes, had their homes or belongings damaged, or lost food in the disaster.

B. Disaster Temporary Emergency Food Stamps

During a disaster, processing individuals for public benefits becomes difficult because of the nature of the disaster and the volume of applicants with need and limited documentation. **Section 2014(h)(1) revises eligibility guidelines to provide Food Stamps to survivors of a disaster who would otherwise be ineligible for Food Stamps.** This has long been in the statute at 7 U.S.C. § 2014(h)(1),(2) and in the regulations at 7 CFR § 280.1. This authority is typically used to dispense with normal income or resource criteria or to allow flat minimum allotments to be issued without the usual complex benefit calculations. **The application deadline for emergency Food Stamps is 10 days from the disaster date.**

1. Eligibility

The Secretary of Agriculture has broad discretion and can waive normal income and resource and other eligibility criteria. The most obvious groups who should be helped are those who might have a business, income or resources over the Food Stamp limits, but whose homes, businesses or property were damaged in the disaster.²

Among those groups that are most likely to be ineligible for Food Stamps under the regular program, and hence in need of section 2014(h)(1) emergency Food Stamps, are:

- a. People who have already received Food Stamps for the month (and are therefore ineligible for another regular issuance) and whose food has been consumed or destroyed;
- b. People whose incomes are too high although their jobs have been lost or interrupted;
- c. People with incomes too high to get Food Stamps, or too high to get more than a few Food Stamps, with high disaster-related expenses (i.e., people who would be eligible if they were allowed to deduct these expenses from their incomes);
- d. People over the resource limit for the regular Food Stamp program because of resources no longer accessible to them; and
- e. Undocumented or otherwise ineligible aliens.³

2. Amount of Benefits

The amount of benefits depends on the nature of the disaster and the state's request. The Secretary of Agriculture has broad discretion. In many areas (Florida, the Midwest, South Carolina, for example), individuals were given a full month's benefit equal to the maximum allotment for a family of that size.⁴

C. Replacement Food Stamps (h)(3)

Section 2014(h)(3) provides for Food Stamps to replace food that was destroyed in a disaster for households eligible for Food Stamps under regular Food Stamp eligibility criteria. An argument can also be made that those temporarily eligible under (h)(1) are also eligible for replacements as well.⁵ The authority to issue replacements has long been in the regulations⁶ and it was expanded and inserted into the Food Stamp Act by the 1990 amendments at 7 U.S.C. § 2014(h)(3). The regulations at 7 CFR § 280.1 require that replacement stamps be issued after a disaster. Replacing food lost by disaster victims who were eligible for Food Stamps (note they need not have been actually receiving Food Stamps prior to the disaster) should be somewhat more automatic than the (h)(1) program.

1. Eligibility

For many families receiving Food Stamps, a disaster may destroy their food supply through damage, spoilage due to cut-off electricity, or simply the loss of their home.

These individuals are normally eligible for regular Food Stamps. During a disaster they are eligible for replacement stamps. These could be families already receiving Food Stamps, or individuals who meet the normal resource and income criteria but had not yet applied. An argument can also be made that those temporarily eligible for (h)(1) benefits are also eligible for replacements.

2. Amount of Benefits

A family should receive stamps equal to the value of the food they lost. The Secretary can set a maximum amount up to the value of one month's allotment for a family of the same size⁷ Presumably, families could get this replacement only once in a disaster; however, the statute is silent about such a limit.

II. EXPEDITED SERVICE FOOD STAMPS

A. In General

After the initial disaster period, temporary emergency Food Stamp programs end. However, families may still be in need. These persons may wish to apply for Expedited Service Food Stamps.

People who are destitute and appear to be eligible for Food Stamps should get their entire monthly Food Stamp benefits within three days of applying. They should ask for "Expedited Service Food Stamps." The Food Stamps will be pro-rated over the month, so anyone applying after the first day of the month will get less than a full month's allotment. Food Stamp benefits vary depending on family size, income and housing costs. In 1995/1996, the maximum Food Stamps for a single person with no income was \$119 per month.

B. Eligibility

1. Families with High Housing Costs

Families and individual applicants without enough money for rent, mortgage and utilities are eligible for expedited service. Households whose combined monthly gross income and liquid resources (cash) are less than the household's monthly rent or mortgage, and utilities, as appropriate, shall be eligible for expedited service.

2. Families with Limited Funds

Households with very limited funds, less than \$100 in cash or in the bank and less than \$150 gross income in the calendar month, are eligible for Expedited Service Food Stamps.

The county welfare office will look at:

- a. Income already received in the month and
- b. Income that the household is "reasonably certain" of getting before the end of the month. Clients should not list any income in the second category unless they are absolutely certain they will get the money. Also, if it is near the end of the month, the client has already received income over \$150, and no Food Stamp application has been filed yet, s/he should be advised to apply on the first day of the following month. This way s/he can get a full month's worth of Expedited Service Food Stamps in three days, rather than waiting 30 days for the normal application to be processed.

C. Other Requirements

1. Identification/Application Requirements

All a client needs to do to start the process is submit an application with his/her name, address and signature on it to the welfare office. To get the stamps, however, clients must verify their identity. The regulations are very flexible, allowing verification with a driver's license, birth certificate, Social Security card, wage stubs or through someone in the community who knows the client and will write a note or talk to welfare on the phone (known as a "collateral contact"). No particular form of ID can be required, as long as the applicant has one of the above. The expedited Food Stamps ID requirements are often much more flexible than those for the county general assistance program. **If you have a GA client with an ID problem, don't forget to check eligibility for Expedited Service Food Stamps.** There is no requirement to furnish a Social Security number before getting Expedited Service Food Stamps.

2. Work Registration and Exemptions

Applicants must register for work unless exempted. However, the Expedited Service Food Stamps cannot be delayed because of lack of verification of the work exemption.

D. Timeframe for Expedited Food Stamps

1. Three-Day Processing Deadline

The county is required to provide benefits or deny an application for Expedited Service Food Stamps within three calendar days of the application. The weekend counts as one day. If the third day falls on a weekend or holiday, the county has to provide the stamps before the third day. Individuals must be given an application the day they go into the welfare office.

2. Right To Apply at First Visit to the Welfare Office

Sometimes applicants are screened out or told to return in several days (or weeks) for an appointment. The law is clear that individuals must be given an application the day they come in, even if it is Friday at 4:30 p.m.

Endnotes

1. Current non-citizen legal immigrant Food Stamp recipients will receive notices about termination of Food Stamps in August, 1997. They have the right to appeal, to have aid paid pending their decision and, in the case of applicants and recipients who are seeking review by Social Security of their work/earnings history, to receive continued assistance for up to 6 months.
2. In Los Angeles, many business people have several cars -- USDA liberalized the automobile limits. Likewise, in other areas, income has been offset by disaster-related expenses.
3. Note, however, that in settling Deloney v. Madigan, a disaster Food Stamp case out of Los Angeles, the benefits were extended to potentially thousands of new eligible aliens, yet very few (approximately 50) applied, despite extensive outreach and a long application period.
4. Note that this is the maximum amount available to a similar size household, not the amount the family would get if its resources or income were counted.
5. The federal agency that administers the Food Stamp Program, Food and Consumer Services (FCS), seems to take a different position. This point was briefed in Deloney, but since the case was settled instead of adjudicated, the issue has never been clearly decided.
6. Currently at 7 CFR § 274.6(a)(1)(iii), the normal replacement program does not require a disaster declaration. A fire or other misfortune triggers it. Also, an application must be made in 10 days. Under (h)(3), FCS can waive or extend application deadlines.
7. Again, this is the maximum allotment, not the amount the family would normally get based on its income and housing costs, etc.

Food Stamp Eligibility for Current Recipients and New Applicants		
	Food Destroyed or Spoiled by Disaster	Food Stamps Damaged or Lost During Disaster
On Food Stamps Now	Disaster Food Stamps	Regular Replacement Food Stamps Disaster Food Stamps and Disaster Replacement Food Stamps 7 USC § 2014 (h)(3)
New Applications	Regular Food Stamps Disaster Food Stamps Expedited Food Stamps	N/A

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PUBLIC ASSISTANCE PROGRAMS FOR DISASTER VICTIMS

CAVEAT -- *In 1996, two laws were passed (The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 or PRWORA [Public Law No. 104-193], enacted August 22, 1996, and the Illegal Immigration and Immigrant Responsibility Act of 1996 [Public Law 104-208], enacted September 30, 1996, as a part of the Omnibus Continuing Resolution) which will change the public assistance programs referenced in this section. Although PRWORA eliminated SSI eligibility for most non-citizen legal immigrants, it appears that Congress is likely to substantially restore SSI benefits to most immigrants who were receiving assistance in August, 1996, and possibly to other groups of non-citizens (e.g. disabled). The State of California will be implementing changes in the Aid to Families with Dependent Children (AFDC) and Food Stamp programs during 1997. Be sure to obtain current information on the requirements for each of the assistance programs listed in this chapter.*

As of the printing date of this publication, it appears that many non-citizen legal immigrants will no longer be eligible to receive Food Stamps.¹ However, legal immigrants who fit into the following categories of exceptions will still be able to receive Food Stamps:

1. *United States citizen;*
2. *Immigrant or spouse or dependent children is/are a veteran (honorably discharged), or in the armed services (active duty in the U.S.);*
3. *Immigrant or spouse (or parents while immigrant was under age 18) worked in the United States a total of 40 quarters (depending on the family situation, this could mean, for example, 5 years for worker and spouse).*
4. *Refugee, asylee, or person granted withholding of deportation within first 5 years of being granted this status.*

OVERVIEW

The public assistance programs described in this Section are those which are particularly helpful to disaster survivors. May of the programs are available both to people who were receiving public assistance before the disaster and those made eligible for public assistance by the disaster. **Note that receipt of federal disaster assistance described in the previous sections of this Handbook will not affect eligibility for public assistance programs.**

Please refer to the chart at the end of this Section, which summarizes the programs described in this Section and cross-references the federal disaster assistance programs. The checklists in Section 6 also cross-reference public assistance programs and disaster assistance programs. Refer to Section 11 for a description of Food Stamp benefits that are available for disaster victims. (Note that Food Stamp eligibility requirements are liberalized after a disaster.)

I. AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

AFDC currently provides support for dependent children and their families. Sometime during 1997, the rules for the AFDC program will likely change. The federal and state governments fund AFDC, although the new program is a "block grant," and many of the programs listed here (e.g. NRSN, Homeless Assistance) may change or not exist as a result. Each county welfare department administers the program. Currently, AFDC recipients are automatically eligible for the Medi-Cal program, and this may or may not continue. Food Stamp eligibility is based on who buys and prepares the food together in a household.

A. General Eligibility

California residents must currently meet two conditions:

1. No support from one parent because of absence, disability or under/unemployment and
2. Children under 18 years of age (the child may be 18 years old if the child is still in high school and will graduate before turning 19).

All children born in the U.S. are eligible for AFDC even if their parents are not. An applicant can have \$1,000 in savings, a car worth \$1,500, a home they live in and household belongings. There are higher limits for recipients. There are also restrictions on income, which depend on the size of the family. In 1996, benefits ranged from approximately \$479 per month for a parent with one child to \$806 per month for a parent with four children.

B. Non-Recurring Special Needs (NRSN)

1. In General

When a disaster strikes, AFDC recipients who have lost their homes or household belongings can get a grant to cover emergency needs. The payments are limited to \$600 to pay for all emergencies arising from each incident. There are two additional special requirements to qualify for a special needs grant:

- a. The emergency must be due to circumstances beyond the control of the family and
- b. The family must not have more than \$100 available to them.

Families can apply for this grant whenever a sudden emergency arises. There are no specific deadlines. However, welfare departments are strict about this program except during disasters. The AFDC family must explain to the welfare department how it plans to pay for the entire cost of the need. AFDC workers can determine the most cost-effective way of administering the benefit. For example, they can give the family a voucher or refer them to a second-hand store.

Many needs are similar to those covered under the Individual and Family Grant Program. See Section 8. Note that the grant levels are much lower in the AFDC program.

2. Special Needs Grant for Personal Property

Special needs grants can cover replacement/repair of clothing and household items:

- a. Clothing, actual cost up to \$25 per person;
- b. Double bed with mattress, actual cost up to \$143;
- c. Refrigerator, actual cost up to \$190;
- d. Stove, actual cost up to \$142;
- e. Dishes, kitchen utensils and bedding, actual cost up to \$12;
- f. Other necessary furniture, actual cost up to \$50; or
- g. Other necessary items e.g., vaporizer for asthmatic child.

3. Special Needs Grants for Housing

When an AFDC family's "home has been destroyed, made uninhabitable or inaccessible," a grant will pay for **interim shelter** or temporary housing. If a family is already receiving money from the AFDC Homeless Assistance Program (See Par. I.D.1), they cannot receive an NRSN grant for housing. Special needs grants may also pay for essential repairs to a damaged home owned by an AFDC family, moving and storage costs and security deposits or utility hook-up fees which are needed. See Sections 6 and 7 for descriptions of FEMA housing assistance programs.

C. Immediate Need

California provides immediate assistance to AFDC **applicants** with emergency needs. Applicants who receive this assistance can receive an advance on their AFDC monthly benefits within a few days of applying and have their eligibility determined on a fast track -- in 15 calendar days instead of the normal 45 days.

1. General Requirements

The AFDC Immediate Need program is limited to **families with emergency needs**.

The family must be **apparently eligible for AFDC**. The information on the application form must show that the family has extremely limited income or resources to meet its needs, that there is a parent who is absent, disabled or under/unemployed and that there is a child under 18 in the household (the child may be 18 if still in high school and will graduate before turning 19). Non-citizens must show proof of immigration status and women pregnant with their first child must present medical documentation of their pregnancy.

Families who have emergency transportation or eviction needs qualify if their financial resources are less than the need. In all other circumstances, the family cannot have more than \$100 cash or liquid resources.

Welfare departments are not required to issue emergency benefits if the emergency need can be met by local charities or by the issuance of Food Stamps or homeless assistance. (However, the agency can only make one community referral to meet one need.)

2. Immediate Need Benefits

The welfare department must act on the immediate need request within one working day after application. If the welfare department finds a family eligible for immediate need, the family can receive **an advance on their first month's grant** of up to \$200 cash.

If families face an eviction notice deadline, they may be able to get their full AFDC grant within three days. However, they must provide verifications such as birth certificates or requests for them, bank records and Social Security numbers, as well as verification of the eviction deadline. See Sections 7 and 13D.

If an immediate need payment is made, the welfare department should then process the family on **a fast track for full AFDC eligibility**. It must process the application within 15 days. Applicants should get a full check, minus the advance, within this period.

3. Written Denial of Immediate Need Payment

If the agency denies the immediate need application, it must issue a written denial which the applicant can appeal. The agency can continue to process the application on the 45-day track.

Most families who apply for AFDC, particularly in crisis situations, meet the eligibility definition for immediate need. Many welfare eligibility workers are reluctant to acknowledge immediate need cases at the eligibility interview. The fast track processing increases their workload.

Families eligible for immediate need who have additional needs should also request special needs or emergency assistance programs. These emergency assistance programs include homeless assistance.

D. AFDC Homeless Assistance Program (HAP)

1. In General

Homeless families with children may be eligible for housing assistance from AFDC. The two types of aid available under the AFDC Homeless Assistance Program (AFDC HAP) are **temporary** housing assistance to pay for motels, etc. and **permanent** housing assistance to pay move-in costs for permanent housing. See Sections 6 and 7 regarding federal disaster housing programs. Note that a family cannot receive a NRSN grant for housing costs if they are already receiving assistance under AFDC HAP (See Paragraph I.B.3.).

This program is available to families on AFDC only once in a lifetime except when the family becomes homeless due to a natural disaster, in which case there is no limit. Families can also receive homeless assistance once every 24 months if homelessness is caused by domestic violence, uninhabitability housing problems or medical/mental illness (with verification of all of these exceptions).

2. Eligibility for HAP

Families must be homeless to receive assistance. Families who are living on the street, in their cars, parks, motels, or staying in a shelter are homeless. Families staying in someone else's home are homeless. Eligibility does not require a three-day notice, or sheriff's or marshall's notice, though county workers sometimes improperly request one. An applicant's sworn statement is sufficient to establish homelessness.

Applicants must be either receiving AFDC or "apparently eligible" for AFDC. Families can have no more than \$100 on hand. Families that have more than \$100 in liquid resources are not eligible for AFDC HAP. Liquid resources generally means money in a bank account, and checks and cash on hand. It does **not** include the current month's income from AFDC. The \$100 liquid resource test is only applied once, for each period of homelessness, at the time of application for AFDC HAP benefits. Families with only a little over \$100 should spend down to \$100 and then reapply.

3. HAP Payments -- Only to Commercial Landlord

HAP payments can be made only to commercial establishments, shelters, publicly-funded transitional housing or to persons in the "business of renting properties." This provision prohibits temporary HAP payments to friends or family members. To qualify, the family must pay something for its housing. This requirement may only be a problem for people in shelters that charge nothing. If there is any money left over after paying the interim shelter costs, the AFDC recipient can keep the balance.

4. Temporary Homeless Assistance Benefits

a. Amount of Benefits

Temporary Homeless Assistance provides money for families to secure temporary shelter in a motel or hotel. Welfare pays up to **\$30 per night**, for up to **16 nights**. Families with more than four members receive an additional \$7.50 for each additional person, up to a maximum of \$60 per night. This money is in addition to a monthly AFDC check or an AFDC immediate need payment. The family does not have to repay this money.

b. Same-Day Processing Deadline

Eligible families must be sheltered the day they apply. They must be given an application the day they come to the welfare office no matter how late in the day. If a family has no place to sleep that night, the county must either find shelter for the family for one night **or** issue a \$30 payment. This is true even if someone goes in at 4:30 p.m. on Friday. If the family has a place to stay that night, the county must make a temporary housing assistance eligibility decision before the close of the following work day and, if eligible, issue a check for \$30 per night.

5. Permanent Housing Assistance

a. Move-in Costs

Permanent housing assistance benefits pay the move-in costs for a homeless family. They include:

- 1) Last month's rent;
- 2) Security deposit;
- 3) Utility deposit; and
- 4) One credit check for the actual rental.

The family is responsible for the first month's rent. HAP will **not** pay for **overdue** utility bills which must be paid before utility service can be established. It does not cover telephone deposits. The deposits must be a condition of moving in, so clients should be told to have the deposits written into the lease or agreement, if possible. If the family had to pay for a credit check to obtain the rental, this can also be reimbursed. The cost of other credit checks for places the family did not rent cannot be reimbursed.

b. Limitations

Unlike temporary shelter, to obtain money for permanent housing a family must already be on AFDC or be determined actually eligible. If a family presents all the evidence necessary to establish eligibility, it can get an expedited eligibility determination.

A family must locate an apartment or house that rents for less than 80% of the AFDC grant for a family of its size. If moving into shared housing, the family's share of rent cannot be more than 80% of the AFDC grant.

Homeless Assistance money cannot be used to return to the family's most recent former residence (i.e., the same unit or house), unless family members left because of unusual circumstances beyond their control, such as a fire or a disaster. A different unit in the same apartment building is not considered the same residence.

c. Verification Requirements

Before it issues payment, the county welfare department will need to verify the rental. It requires a written rental agreement or lease that indicates the monthly rent. A welfare worker will contact the landlord or, if this is not possible, verify the rental by the applicant's sworn statement.

d. Next-Day Processing Deadline

1) AFDC Recipients

The county must issue a check by the end of the **next work day** following the day the family gives the county a copy of a lease agreement, or other evidence of the possible tenancy. The agreement should include the terms of the deposits.

2) AFDC Applicants

If the AFDC application is still pending when the family requests permanent housing assistance, the county must finish processing the regular AFDC application immediately. The deadline is the **next work day** after the family gives the county all verification needed to process the regular AFDC application, as well as the evidence of possible tenancy.

II.

SUPPLEMENTAL SECURITY INCOME

The Social Security Administration (SSA) administers the Supplemental Security Income (SSI) program. This federal program, supplemented with funds from the State of California, provides income to low-income, disabled persons and persons over age 65. Because they are indigent, SSI recipients automatically qualify for Medi-Cal, the State's medical program for the poor. The application process for SSI can take more than a year. Please refer to the caveat language at the beginning of Section 12.

A. Eligibility

1. In General

Individuals must be **aged, blind or disabled** to qualify for SSI. They must also be citizens or legal residents. Persons **over age 65** who are low-income automatically qualify for SSI.

2. Definition of Disability

Individuals must be blind or disabled within the meaning of listings which the Social Security Administration issues. A person who claims benefits because of disability must be unable to work at any job for at least 12 months because of a serious impairment.

3. Income and Resources

An individual must be low-income. The individual must also have limited resources. These can include only:

- a. A home;
- b. A car worth less than \$4,500 (unless needed for medical reasons when the value can be more than \$4,500);
- c. Household goods under \$2,000;
- d. Burial plot or insurance;
- e. Life insurance -- maximum \$1,500 face value; and
- f. Resource maximum of \$2,000 for an individual or \$3,000 for a couple.

Individuals with greater resources can spend them down until they reach eligible levels.

B. Program Benefit Levels

Program benefits depend on household composition. As of 1996, a single disabled adult may receive as much as \$626 per month; disabled minors may receive as much as \$533 per month. Clients sharing expenses with others can expect somewhat lower benefits. SSI benefits include funds to cover food costs. Food Stamps are not available to SSI recipients in California. There is also a program in California called "SSI Special Circumstances." It has not been funded by the legislature for the past several years, but it can provide for funds for emergency, non-recurring needs (e.g. replacement of a refrigerator). Check with a local DSS office.

C. SSI Emergency Advance Payments

1. Emergency

SSI applicants who appear to be eligible for SSI and who are having a financial emergency can receive an advance payment to help them through the emergency. This expedited procedure is called Emergency Advance Payments. It is available for applicants who are proven eligible or presumptively eligible.

2. Application Must be on File with SSA

A client must file an application at the Social Security office. Documentation must be provided of age over 65 or medical documentation of disability from the treating physician. The applicant should inform SSA of the financial emergency.

3. Immediate Payment Procedure for SSI

a. Critical Payments

The Social Security Administration has several procedures for expediting Social Security and SSI checks to people whose applications have already been approved, but who have not received a check. One procedure takes three to five days to complete and is called "critical payment." The U.S. Treasury mails the check to the client. Another procedure is referred to as "A-OTP" or "M-OTP," which takes seven to ten days and also involves mailing the check.

b. Immediate Payment -- Same-Day Payments

If the client has a financial emergency and cannot afford the possibility of computer or mail delays which occur with "A-OTP" and "M-OTP," an "immediate payment" can be made on the same day. Each local SSA office can pay up to \$200 via immediate payment checks on hand so there should be no delays due to the computer or mail.

c. During Disasters

The Social Security Administration has procedures in place to expedite applications and to replace checks to disaster survivors.

d. Adverse Public Relations Problem

The management of the local SSA office can decide that the situation is "a potential adverse public relations problem requiring prompt action." Some local SSA offices consider a phone call from an attorney or a congressional office sufficient to meet this criterion. Complaints made to the Critical Case Unit of the SSA Regional Office, 415-744-4499, are usually handled as potentially adverse public relations cases. The Critical Case Unit only accepts complaints from advocates, not from clients.

Endnotes

1. Current non-citizen legal immigrant Food Stamp recipients will receive notices about termination of food stamps in August, 1997. They have the right to appeal, to have aid paid pending their decision and, in the case of applications and recipients who are seeking review by Social Security of their work/earnings history, to receive continued assistance for up to 6 months.

Public Assistance and Disaster Assistance Programs for Disaster Victims			
NEED	Families With Children Under 18¹	Families Without Children Under 18²	Seniors or Disabled Individuals (Including Children)
Food	Disaster Food Stamps; Replacement Food Stamps; Expedited Food Stamps; (See Sec. 11) Apply at Welfare Office	Disaster Food Stamps; Expedited Food Stamps; (See Sec. 11) Apply at Welfare Office	Disaster Food Stamps; Possibly Expedited Food Stamps; (See Sec. 11) Apply at Welfare Office
Public Assistance Money for Housing (temporary)	AFDC ³ Non-Recurring Special Needs (NRSN); AFDC Temporary Homeless Assistance (See Sec. 12) Apply at Welfare Office	Check with local county General Assistance/ General Relief (GA/GR) program (See Sec. 12) Apply at Welfare Office	Possibly if SSI check is lost or delayed (Immediate Payment) (IP); Emergency Advance Payments (EAP) for SSI applicants (See Sec. 12) Apply at Social Security Office
Disaster Assistance Money For Housing (temporary)	FEMA Rental Assistance (RA); FEMA Mortgage and Rental Assistance (MRA) (See Sec. 7) Apply with FEMA	FEMA RA; FEMA MRA (See Sec. 7) Apply with FEMA	FEMA RA; FEMA MRA (See Sec. 7) Apply with FEMA
Public Assistance Money For Move-In Costs	AFDC Permanent Housing Assistance Program (See Sec. 12) Apply at Welfare Office	Check with GA/GR Apply at Welfare Office	Possibly if SSI check is lost or delayed (IP); EAP for SSI applicants (See Sec. 12) Apply at Social Security Office
Disaster Assistance Money For Housing Move-In Costs	FEMA RA (See Sec. 7) Apply with FEMA	FEMA RA (See Sec. 7) Apply with FEMA	FEMA RA (See Sec. 7) Apply with FEMA
Public Assistance Money for Personal Property Lost in Disaster	AFDC NRSN (See Sec. 12) Apply at Welfare Office	Check with GA/GR Apply at Welfare Office	Possibly if SSI check is lost or delayed (IP); EAP for SSI applicants (See Sec. 12); SSI Special Circumstances ⁴ Apply at Social Security Office
Disaster Assistance Money for Personal Property Lost in Disaster	Individual and Family Grant Program (IFGP) Personal Property Grant (See Sec. 12); Small Business Administration (SBA) Home Disaster Loan (See Sec. 9) Apply with FEMA and SBA	IFGP Personal Property Grant (See Sec. 12); SBA Home Disaster Loan (See Sec. 9) Apply with FEMA and SBA	IFGP Personal Property Grant (See Sec. 12); SBA Home Disaster Loan (See Sec. 9) Apply with FEMA and SBA

1. The child may be 18 years old if the child is still in high school and will graduate before turning 19 years old.

2. See footnote 1.

3. In 1997, the State of California will be implementing changes to Aid to Families with Dependent Children.

4. As of the printing date of this publication, monies have not been allocated by the legislature for the past several years, but program authority still exists.

