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Disaster Survivor FAQ: FEMA Individuals and Households Program

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SUMMARY

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Disaster Survivor FAQ: FEMA Individuals and Households Program

Member offices frequently have questions about the recovery process when working to support constituents following a presidential declaration of emergency or major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act; P.L. 93-288, as amended; codified at 42 U.S.C. §§5121 et seq.). This report responds to questions that commonly arise when disaster survivors apply for and receive recovery assistance through the Federal Emergency Management Agency's (FEMA's) Individual Assistance (IA)—Individuals and Households Program (IHP). The IHP provides financial and/or direct assistance for housing and financial assistance to address other needs.

For additional information on the IHP, including an in-depth overview of the program's available forms of assistance and implementation considerations, see CRS Report R47015, *FEMA's Individuals and Households Program (IHP)—Implementation and Considerations for Congress*, by Elizabeth M. Webster. The CRS Infographic IG10024, *How FEMA Individual Assistance Works*, by Elizabeth M. Webster, provides a visual overview of the IA programs, the process by which IA is authorized, and information on how applicants receive and FEMA recoups assistance.

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Introduction

The Federal Emergency Management Agency (FEMA) may assist disaster survivors with their recovery through the Individual Assistance (IA) program if the President authorizes such assistance pursuant to a declaration of emergency or major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).[1] One form of IA is the Individuals and Households Program (IHP). When the IHP is authorized, FEMA may provide financial and/or direct assistance for housing, as well as financial assistance for other needs (referred to as Other Needs Assistance or ONA).[2]

Member offices frequently receive questions from constituents following a presidential declaration of emergency or major disaster under the Stafford Act. This report responds to questions that commonly arise when disaster survivors apply for and receive recovery assistance through FEMA's IHP.

For additional information on the IHP, including an in-depth overview of the program's available forms of assistance and implementation considerations, see CRS Report R47015, *FEMA's Individuals and Households Program (IHP)—Implementation and Considerations for Congress*, by Elizabeth M. Webster. The CRS Infographic IG10024, *How FEMA Individual Assistance Works*, by Elizabeth M. Webster, provides a visual overview of the IA programs, the process by which IA is authorized, and information on how applicants receive and FEMA recoups assistance.

Frequently Asked Questions

Who is eligible for IHP assistance?

IHP applicants must meet general eligibility requirements:

1. "[t]he applicant must be a U.S. citizen, noncitizen national, or qualified alien" (or the parent or guardian of such a minor);
2. "FEMA must be able to verify the applicant's identity";
3. "[t]he applicant's insurance, or other forms of disaster assistance received, cannot meet their disaster-caused needs"; and
4. "[t]he applicant's necessary expenses and serious needs are directly caused by a declared disaster."[3]

Each type of IHP assistance also requires that additional eligibility conditions be met, and may require additional documentation (e.g., IHP applicants for housing assistance to repair or replace their home are only eligible for such financial assistance if they own and occupy the property, it is their pre-disaster primary residence, and it was damaged or destroyed by the declared disaster).[4]

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[1] Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act; P.L. 93-288, as amended; codified at 42 U.S.C. §§5121 et seq.).

[2] Stafford Act Section 408 (42 U.S.C. §5174). The Federal Emergency Management Agency's (FEMA's) Individuals and Households Program (IHP) regulations are codified at 44 C.F.R. §§206.101 et seq.

[3] FEMA, *Individual Assistance Program and Policy Guide (IAPPG)*, v. 1.1, FP 104-009-03, May 2021, p. 46, https://www.fema.gov/sites/default/files/documents/fema_iappg-1.1.pdf (hereinafter FEMA, *IAPPG*). See also FEMA, "Eligibility Criteria for FEMA Assistance," last updated October 11, 2022, https://www.fema.gov/assistance/individual/program/eligibility.

[4] FEMA's "Programs to Support Disaster Survivors" web page, available at https://www.fema.gov/assistance/

Of note, FEMA does not provide IHP Housing Assistance to applicants experiencing homelessness prior to a disaster declaration because "the need for housing was not caused by the disaster"; however, applicants experiencing homelessness may be eligible for forms of ONA.[5]

How can disaster survivors apply for IHP assistance?

Disaster survivors can apply for assistance online, via phone, or in person:

- **Online**: at DisasterAssistance.gov or through the FEMA mobile application.
- **Phone**: by calling 1-800-621-3362. Disaster survivors who use a Text Telephone (TTY) may call 800-462-7585, and those who use 711 or VRS (Video Relay Service) may call 800-621-3362.
- **In Person**: by visiting a Disaster Recovery Center (DRC) or if a Disaster Survivor Assistance team member goes door-to-door in an area designated for assistance.[6]

What is the IHP application deadline?

Applicants generally have 60 days from the presidential declaration authorizing Individual Assistance (IA) to apply for IHP assistance. The deadline does not change for areas subsequently designated for assistance (meaning they may have shorter application periods). The registration period, however, can be extended at the request of the affected state/territory/tribe (with approval from FEMA). After the end of the registration period, FEMA accepts late applications (accompanied by a written justification and supporting documentation) for an additional 60 days. FEMA does not accept applications after this point.[7]

Why are IHP applicants being directed to apply for SBA disaster loans even though they are not business owners?

To avoid a duplication of benefits,[8] FEMA and the Small Business Administration (SBA) collaborate to determine an applicant's eligibility for the three forms of Other Needs Assistance (ONA) known as SBA-Dependent ONA: (1) Personal Property Assistance; (2) Transportation Assistance; and (3) Group Flood Insurance Policy Assistance. These forms of assistance may also be provided by an SBA disaster loan as the SBA is authorized to provide low-interest disaster loans to applicants with disaster-caused damages to their real and personal property.[9] Thus,

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individual/disaster-survivors, lists the forms of Individual Assistance. Vacation or secondary homes are ineligible for IHP assistance.

[5] FEMA, *IAPPG*, p. 61.

[6] FEMA, "Help After a Disaster FEMA Individual Assistance Can Help You Recover," FEMA B-545, April 2019, https://www.fema.gov/sites/default/files/2020-08/fema_help-after-disaster_english_trifold.pdf.

[7] FEMA, *IAPPG*, pp. 70-71; 44 C.F.R. §206.112; and email correspondence with FEMA Congressional Affairs staff, May 25, 2021.

[8] Stafford Act Section 312 (42 U.S.C. §5155); 44 C.F.R. §206.110(h).

[9] The two categories of Small Business Administration (SBA) disaster loans are: (1) Personal Property Loans, and (2) Real Property Loans. For additional information on the SBA Disaster Loan Program, see CRS Report R44412, *SBA Disaster Loan Program: Frequently Asked Questions*, by Bruce R. Lindsay. See also FEMA, "I Was Referred to the Small Business Administration," last updated October 6, 2022, https://www.fema.gov/assistance/individual/small-business.

FEMA refers applicants who meet the SBA's minimum income test to first apply for a low-interest SBA disaster loan. If the applicant does not qualify for an SBA disaster loan or their SBA disaster loan amount is insufficient to meet their disaster-caused expenses or serious needs, then they can be referred back to FEMA for consideration for SBA-Dependent ONA (see below for additional information).[10]

Of note, the SBA disaster loan application is a separate application from the FEMA IHP application for assistance, and, therefore, IHP applicants who are referred to the SBA must submit a separate application for an SBA disaster loan to be considered for such assistance—and then potentially for SBA-Dependent ONA. Failure to submit an SBA disaster loan application is one of several reasons some disaster survivors are not considered for selected forms of recovery assistance.[11]

If the SBA approves an IHP applicant's SBA disaster loan, can they still receive assistance through the IHP?

IHP applicants whose SBA disaster loan applications are approved can receive IHP assistance for SBA-Dependent ONA if their SBA disaster loan amount is insufficient to meet their disaster-caused unmet needs (referred to as a partial loan). For example, if a disaster survivor receives an SBA disaster loan that covers some—but not all—of their personal property damage, they may then be considered for a FEMA grant of SBA-Dependent ONA to meet their remaining unmet need (up to the financial assistance cap—see below for more information).

If the SBA approves a disaster survivor's loan application but they do not accept the loan, the disaster survivor will not be referred for SBA-Dependent ONA (meaning the disaster survivor cannot choose to reject a loan in favor of receiving a grant). IHP applicants whose SBA disaster loan applications are denied will be referred back to FEMA for consideration for SBA-Dependent ONA.

IHP applicants are not required to apply for an SBA disaster loan before being considered for Non-SBA-Dependent ONA or Housing Assistance, and an IHP applicant's SBA disaster loan status does not affect their eligibility for Non-SBA-Dependent ONA or IHP Housing Assistance.[12]

Does income affect an IHP applicant's eligibility for assistance?

While the IHP application does collect information on the "[f]amily's pre-disaster income before taxes are deducted," the applicant's income does not affect their general IHP eligibility. However, FEMA does consider pre- and post-disaster income when evaluating eligibility for specific forms of IHP assistance. For example, as noted above, when an IHP applicant meets the SBA's minimum income test, they are to be referred to the SBA to apply for a disaster loan before they can be considered for SBA-Dependent ONA. Income is also a consideration used by FEMA when evaluating eligibility for Continued Temporary Housing Assistance (i.e., a continuation of rental

[10] FEMA, *IAPPG*, p. 145.

[11] In a 2020 Government Accountability Office (GAO) report on the IHP, GAO found the interconnected SBA Disaster Loan and SBA-Dependent ONA application process burdensome, stating that it "may have prevented many survivors from being considered for certain types of assistance.... " GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's Individuals and Households Program*, GAO-20-503, September 2020, https://www.gao.gov/assets/gao-20-503.pdf (see section on "GAO Highlights") (hereinafter GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's IHP*).

[12] FEMA, *IAPPG*, p. 145.

assistance that may be provided based on need after the period of initial Rental Assistance); Direct Temporary Housing Assistance (when housing resources exceed the applicant's financial ability, which FEMA's guidance "define[s] as no more than 30% of the household's income"); an appeal/adjustment of rent in the context of Temporary Transportable Housing Unit (TTHU) rent collection (after the period of assistance has been extended); TTHU sales; and ONA Child Care Assistance.[13]

Does insurance affect an IHP applicant's eligibility for assistance?

The IHP provides financial and direct assistance to disaster survivors with uninsured or under-insured necessary expenses and serious needs as a result of a disaster that cannot be met through other means or forms of assistance.[14] IHP applicants must inform FEMA of all insurance coverage that may help meet their disaster-caused needs, and must provide FEMA with documentation identifying their insurance settlements or benefits before FEMA considers an applicant's eligibility for assistance that may be covered by private insurance.[15] Thus, disaster survivors with insurance can still receive IHP assistance, including when their insurance coverage is insufficient.

In addition, FEMA can provide IHP assistance to meet a disaster survivor's immediate needs when their insurance settlement is "significantly delayed." FEMA considers such delays to qualify when, through no fault of the IHP applicant, they have not received their insurance settlement after 30 or more days since the claim was filed. In such instances, FEMA considers such applicants for initial Rental Assistance. The IHP applicant must also agree to repay FEMA when they receive their insurance settlement.[16]

Of note, there are some additional insurance-related considerations in the context of incidents with flooding.[17] IHP applicants who previously received federal financial assistance from FEMA (i.e., Home Repair Assistance, Home Replacement Assistance, Permanent Housing Construction, or Personal Property Assistance) for flood-related damages are required to purchase and maintain flood insurance for future flood damage to real and personal property items that are insurable under the National Flood Insurance Program (NFIP) and are located in a designated Special Flood Hazard Area (SFHA). The insurance coverage must be for at least the amount of disaster assistance the IHP applicants receive from FEMA for NFIP-insurable items, and applicants may satisfy the insurance requirement by purchasing private insurance or an NFIP policy.[18] Failure to obtain and maintain required flood insurance results in an IHP applicant's ineligibility for some forms of IHP assistance following future disasters that result in flood-related damages.[19]

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[13] Department of Homeland Security (DHS)/FEMA, "Application/Registration for Disaster Assistance," O.M.B. No. 1660-0002, expires August 31, 2022 (see box 32); FEMA, *IAPPG*, pp. 81-82, 97, 102. 120-121, 145, 156-157.

[14] 44 C.F.R. §206.110(a); FEMA, *IAPPG*, pp. 49-51.

[15] FEMA, *IAPPG*, pp. 49-51.

[16] FEMA, *IAPPG*, p. 51.

[17] 44 C.F.R. §206.110(k). 42 U.S.C. §5174(c)(3)(B), with regard to Home Replacement Assistance, notes the President "may not waive any provision of Federal law requiring the purchase of flood insurance as a condition of the receipt of Federal disaster assistance."

[18] FEMA, *IAPPG*, pp. 63 and 65 (see Figure 14). For additional information on the National Flood Insurance Program and private flood insurance, see CRS Report R44593, *Introduction to the National Flood Insurance Program (NFIP)*, by Diane P. Horn and Baird Webel; and CRS Report R45242, *Private Flood Insurance and the National Flood Insurance Program*, by Diane P. Horn and Baird Webel.

[19] 44 C.F.R. §206.113(b)(8).

How much financial assistance will IHP applicants receive?

The amount of financial assistance an applicant receives through the IHP varies based on their personal circumstances, and IHP awards are limited based on statutory funding caps. For FY2023, the maximum amount of financial assistance for housing is $41,000 (adjusted annually), and the maximum amount of financial assistance for other needs is also $41,000 (adjusted annually).[20] Assistance provided through the IHP is not intended to compensate people for all of their disaster-caused losses and it is not intended to serve as a substitute for insurance. Thus, it is not designed to make disaster survivors "whole" again.[21]

IHP award amounts depend on several factors, including whether the applicant owns or rents the damaged property, the number of household members and household composition, the type(s) of assistance being requested and the associated eligibility criteria and limitations, the loss amount determined by FEMA's inspection, and whether and to what extent the applicant's real and personal property losses were insured.

A FEMA inspection is used to verify losses related to real and personal property. FEMA inspectors typically conduct inspections on-site, but they may also complete them via a geospatial inspection or by documentation of losses (e.g., medical bills or receipts for automobile repairs).[22] The findings from the FEMA inspection establish the FEMA-Verified Loss (FVL) amount, defined as "[t]he total dollar amount of IHP eligible disaster-caused damage to real and personal property as verified by FEMA."[23] However, FEMA does not necessarily award IHP applicants the full FVL amount. FEMA may reduce the amount by losses covered in whole or in part by insurance. IHP applicants must inform FEMA of their insurance coverage and provide FEMA with documentation identifying their insurance settlements or benefits before FEMA will consider their eligibility for assistance that may be covered by private insurance.[24]

How long does it take FEMA to schedule an inspection to assess an IHP applicant's disaster-caused losses?

After an IHP applicant submits an application for assistance, FEMA contacts them via letter or electronic correspondence regarding next steps, and an inspector contacts the IHP applicant to schedule an inspection.[25] According to FEMA's guidance, "FEMA inspectors typically schedule an on-site inspection with the applicant within two weeks after the applicant has registered for

[20] 42 U.S.C. §5174(h); DHS/FEMA, "Notice of Maximum Amount of Assistance Under the Individuals and Households Program," 87 *Federal Register* 64512, October 25, 2022, https://www.govinfo.gov/content/pkg/FR-2022-10-25/pdf/2022-23162.pdf. Some forms of IHP financial Housing Assistance and all forms of Other Needs Assistance (ONA) are subject to the maximum amount of financial assistance (with some exceptions). Exempted from the maximum award amounts are financial assistance to rent alternative housing accommodations and funding for accessibility-related home and personal property repair or replacement costs (42 U.S.C. §5174(h)(1) and (4); FEMA, *IAPPG*, pp. 86 and 146). Additionally, some forms of ONA are subject to further financial limits established by the affected state, territory, or Indian tribal government (FEMA, *IAPPG*, pp. 147 and 149; see also 44 C.F.R. §206.120).

[21] FEMA, *Disaster Operations Legal Reference*, v. 4.0, September 25, 2020, 6-31. FEMA, *IAPPG*, p. 6. See also, for example, FEMA, *IAPPG*, p. 85, explaining that Home Repair Assistance "is intended to make the damaged home safe, sanitary, or functional. It is not intended to return the home to its pre-disaster condition."

[22] FEMA, *IAPPG*, p. 72.

[23] FEMA, *IAPPG*, p. 50.

[24] FEMA, *IAPPG*, pp. 49-51.

[25] See FEMA, "I Applied for Assistance. What's Next?" last updated October 6, 2022, https://www.fema.gov/assistance/individual/after-applying.

disaster assistance."[26] However, according to a 2020 Government Accountability Office (GAO) report on the IHP, from 2016 through 2018, the average time between survivors' application and first inspection was 30 days.[27]

When will FEMA provide awards to IHP applicants?

According to a 2020 GAO report on the IHP, between 2016 and 2018, the average time it took for a homeowner to be reimbursed was about 37 days.[28] An exception to this is the time between an application for, and award of, Critical Needs Assistance. FEMA provides Critical Needs Assistance as a one-time payment of $500 to eligible disaster survivors who claim to have immediate or critical needs for items such as food, medication, or fuel at the time of application because they are displaced from or must leave their primary residence to shelter elsewhere as a result of the disaster.[29] GAO found that "the average time between a survivor's application date and award date for Critical Needs Assistance was 1.7 days."[30]

What can an IHP applicant do if they disagree with FEMA's determination or if their request for assistance is denied?

IHP applicants have 60 days to appeal FEMA's determination of their eligibility for assistance, and can do so by submitting a written appeal and supporting documentation.[31] Applicants can appeal FEMA's determinations, including related to their eligibility for assistance, the amount and/or specific type(s) of IHP assistance authorized, FEMA's decision to recoup assistance, and FEMA's rejection of a late application, or any other eligibility-related decision. FEMA then assigns a caseworker to review the appeal (and collect additional information, if needed to make a determination), and the agency is to provide the appellant with a written notice of the disposition of the appeal within 90 days of its receipt.[32] FEMA's decision is final.[33]

Although FEMA does not accept multiple appeals for the same reason, the agency works with applicants during the appeal process to request additional information prior to denying an appeal.[34] Additionally, appeals related to various types of IHP assistance are treated separately (e.g., a denied appeal for vehicle damage—Transportation Assistance—would not affect an applicant's ability to appeal to request additional funding for Home Repair Assistance).[35]

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[26] FEMA, *IAPPG*, p. 73.

[27] GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's IHP*, p. 30 (see section on "Time between key events of the IHP process").

[28] GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's IHP*, p. 30 (see section on "Time between key events of the IHP process").

[29] FEMA, *IAPPG*, p. 164.

[30] GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's IHP*, p. 30 (see footnote 43).

[31] 42 U.S.C. §5189a(a); 44 C.F.R. §206.115(a)-(b).

[32] 42 U.S.C. §5189a(b); 44 C.F.R. §206.115(f).

[33] 44 C.F.R. §206.115(f); FEMA, *IAPPG*, pp. 66-68. See also FEMA, "How Do I Appeal the Final Decision?" last updated October 5, 2022, https://www.fema.gov/assistance/individual/after-applying/appeals.

[34] Email correspondence with FEMA Congressional Affairs staff, August 17, 2022.

[35] Email correspondence with FEMA Congressional Affairs staff, August 17, 2022.

Can FEMA "claw back" IHP assistance that it has already provided to an IHP recipient?

Federal laws require federal agencies, including FEMA, to identify and recover *improper payments* (i.e., "any payment that should not have been made or that was made in an incorrect amount")—a process known as recoupment.[36] Examples of improper payments include overpayments, payments made to ineligible recipients, payments used for ineligible services, and duplication of benefits. FEMA, however, has some discretion not to pursue recoupment, and may waive a debt owed by an IHP recipient if FEMA provided the assistance in error, and the recipient can show they were not at fault and the collection of the debt would be "against equity and good conscience."[37]

IHP recipients that receive a notice of potential debt from FEMA may choose to appeal the potential debt. If they do not appeal the potential debt or if FEMA denies their appeal, the debt becomes final, and the individual may then pay the debt or request the above-referenced debt waiver. The onus is on the IHP recipient to demonstrate whether or not a waiver is appropriate.[38]

Additional Resources

Disaster survivors can learn more about declared Stafford Act emergencies and major disasters by visiting FEMA's web page for "Declared Disasters," available at https://www.fema.gov/disaster/declarations, including areas designated for assistance (e.g., counties within a state), and specific forms of assistance authorized to support disaster survivors with their recovery (i.e., IA). FEMA's web page for "Individual Assistance," available at https://www.fema.gov/assistance/individual, is also a resource for disaster survivors navigating the process for requesting and receiving recovery assistance.

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[36] Section 2(d)(2) of the Improper Payments Information Act of 2002 (IPIA, P.L. 107-300); FEMA, *IAPPG*, p. 178.

[37] Section 1216(a) of the Disaster Recovery Reform Act of 2018 (Division D of P.L. 115-254); see also FEMA, "Instruction 116-1-2: Individuals and Households Program Recoupment," v. 2, May 2019.

[38] "Appendix C: Waiver Information Sheet" of FEMA, "Instruction 116-1-2: Individuals and Households Program Recoupment," v. 2, May 2019, p. 41; FEMA, *IAPPG*, pp. 181-182.

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