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Disaster Survivor FAQ: FEMA Individuals and Households Program

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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) Individuals and Households Program (IHP), which is a form of Individual Assistance (IA). 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.

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Elizabeth M. Webster
Specialist in Emergency
Management and Disaster
Recovery

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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 eligible disaster survivors with financial and/or direct assistance to address their housing-related needs, as well as financial assistance to address 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.

Frequently Asked Questions

What does the recovery process look like?

After an incident, disaster survivors should document the disaster-caused damage by taking pictures of the damage and making a list of damaged/lost items. Insured disaster survivors should file an insurance claim.³ After the President authorizes IA, FEMA activates registration intake to enable affected disaster survivors to submit an application for IHP assistance.⁴ FEMA may also require a home inspection for disaster survivors with disaster-caused damage to their real and personal property to verify their claim.⁵ Once the IHP application has been submitted and the inspection is complete, FEMA can provide a determination regarding whether the IHP applicant is eligible for assistance, including the types and amounts of assistance they are found eligible for. IHP applicants who disagree with FEMA's determination may submit an appeal.⁶ The assistance FEMA provides is intended to help support disaster survivors with their disaster recovery, but other assistance may also be required.

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, "Survivors' Road to Recovery: Before You Apply," web page, last updated May 18, 2023, <https://www.fema.gov/assistance/individual/program/road-to-recovery>.

⁴ FEMA, "Survivors' Road to Recovery: Apply for FEMA Disaster Assistance," web page, last updated May 18, 2023, <https://www.fema.gov/assistance/individual/program/road-to-recovery?page=2>. FEMA will ask IHP applicants for their insurance information.

⁵ FEMA, "Survivors' Road to Recovery: Home Inspection," web page, last updated May 18, 2023, <https://www.fema.gov/assistance/individual/program/road-to-recovery?page=3>.

⁶ FEMA, "Survivors' Road to Recovery: Receive FEMA's Decision," web page, last updated May 18, 2023, <https://www.fema.gov/assistance/individual/program/road-to-recovery?page=5>.

The following sections provide further details related to disaster survivor eligibility considerations, the application process, the timing of different steps in the process, and appealing FEMA determinations.

Who is eligible for IHP assistance?

IHP applicants must meet general eligibility requirements in order to receive IHP assistance. They must:

1. be a U.S. citizen, noncitizen national, or “qualified alien” (or the parent or guardian of such a minor);⁷
2. have their identify verified by FEMA;
3. have disaster-caused needs that cannot be met through their insurance or other forms of disaster assistance; and
4. have necessary expenses and serious needs that were directly caused by a declared disaster.⁸

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).⁹

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.¹⁰

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.¹¹

⁷ There are some categories of “aliens lawfully present in the U.S. who are not eligible for IHP assistance,” such as temporary tourist visa holders, and habitual residents, such as citizens of the Federated States of Micronesia and the Republic of the Marshall Islands. FEMA, *Individual Assistance Program and Policy Guide (IAPPG)*, v. 1.1, FP 104-009-03, May 2021, p. 47, https://www.fema.gov/sites/default/files/documents/fema_iappg-1.1.pdf (hereinafter FEMA, *IAPPG*).

⁸ FEMA, *IAPPG*, p. 46. See also FEMA, “Eligibility Criteria for FEMA Assistance,” last updated November 28, 2022, <https://www.fema.gov/assistance/individual/program/eligibility>; FEMA, “Individuals and Households Program,” last updated April 5, 2023, <https://www.fema.gov/fact-sheet/individuals-and-households-program>.

⁹ FEMA’s “Programs to Support Disaster Survivors” web page, available at <https://www.fema.gov/assistance/individual/disaster-survivors>, lists the forms of Individual Assistance. Vacation or secondary homes are ineligible for IHP assistance.

¹⁰ FEMA, *IAPPG*, p. 61.

¹¹ 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.

What is the IHP application deadline?

Applicants generally have 60 days from the presidential declaration authorizing Individual Assistance to apply for IHP assistance. After the end of the initial registration period, FEMA may accept late applications for an additional 60 days if the applicant provides a reasonable explanation for the delay (no written justification or documentation explaining the circumstances that prevented them from applying on time are required).¹² FEMA does not accept applications after this point.¹³

The registration deadline does not change for areas that are 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). If the Stafford Act declaration is amended to include additional counties following the expiration of the registration period, then the registration period can be reopened, but only for the newly authorized counties.¹⁴

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 some forms of assistance, which are intended to address disaster-caused real or personal property damage, a FEMA inspector may contact the IHP applicant to schedule an inspection.¹⁵ According to FEMA, this usually occurs within 10 days after applying.¹⁶

When will FEMA provide awards to IHP applicants?

According to FEMA, the IHP applicant should receive a letter or email explaining FEMA's eligibility determination within 10 days after the inspector's visit (see previous section).¹⁷ FEMA

¹² Department of Homeland Security (DHS)/FEMA, "Individual Assistance Program Equity," 89 *Federal Register* 3995 and 4031, January 22, 2024. Reasonable explanations for late applications can include incarceration, that the applicant was the victim of human trafficking, ongoing domestic situations in which persons pose an immediate threat to a family member in the same household, major life events (e.g., birth or a child, marriage), hospitalization/illness/disability of the applicant or an immediate family member, death of an immediate family member, or proof of personal or business travel out of the area during the application period.

¹³ FEMA, *IAPPG*, pp. 70-71; 44 C.F.R. §206.112.

¹⁴ DHS/FEMA, "Individual Assistance Program Equity," 89 *Federal Register* 4030, January 22, 2024.

¹⁵ See FEMA, "I Applied for Assistance. What's Next?" last updated June 26, 2023, <https://www.fema.gov/assistance/individual/after-applying>; FEMA, "Home Inspections," last updated May 15, 2023, <https://www.fema.gov/assistance/individual/after-applying/home-inspections> (hereinafter FEMA, "Home Inspections").

¹⁶ FEMA, "Home Inspections"; FEMA, "What to Expect After You Apply for FEMA Assistance," infographic (hereinafter FEMA "What to Expect"). 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 (GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's IHP*, p. 30 (see section on "Time between key events of the IHP process").

¹⁷ FEMA, "Home Inspections"; FEMA "What to Expect." 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. An exception to this was the time between an application for, and award of, Critical Needs Assistance. GAO found that "the average time between a survivor's application date and award date for Critical Needs Assistance was 1.7 days." Serious Needs Assistance has replaced Critical Needs Assistance, effective March 22, 2024 (GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's IHP*, p. 30 (see section on "Time between key events of the IHP process" and footnote 43); DHS/FEMA, "Individual Assistance Program Equity," 89 *Federal Register* 4024, January 22, 2024).

provides financial assistance through the IHP in the form of a U.S. Treasury check or direct deposit.¹⁸

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

While the IHP application does collect income information, the applicant's income does not affect their general IHP eligibility. However, FEMA does use income as a consideration to inform the provision of specific forms of IHP assistance. For example, FEMA considers income when evaluating a disaster survivor's eligibility for certain forms of IHP assistance, including Continued Temporary Housing Assistance (i.e., a continuation of rental 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"), and ONA Child Care Assistance (when the IHP applicant has a disaster-caused increase in financial burden for child care); and FEMA may consider income when determining whether to adjust the Temporary Transportable Housing Unit (TTHU) rent amount if the primary occupant cannot pay the amount set by FEMA (this occurs when the primary occupant appeals FEMA's rent determination following an extension of the period of assistance), and when FEMA considers selling a TTHU to the primary occupant at a reduced sales price (this occurs if the occupant feels they cannot afford to make the purchase at the Adjusted Fair Market Value, and appeals FEMA's determination and petitions for a reduced sales price).¹⁹

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

The IHP provides financial and direct assistance to disaster survivors with uninsured or underinsured necessary expenses and serious needs as a result of a disaster that cannot be met through other means or forms of assistance.²⁰ 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.²¹ Thus, disaster survivors with insurance can still receive IHP assistance (up to the maximum amount of financial assistance FEMA will provide for a single incident),²² including when their insurance coverage is insufficient.

¹⁸ See FEMA's "Survivors' Road to Recovery," web page, last updated May 18, 2023, <https://www.fema.gov/assistance/individual/program/road-to-recovery?page=5> (see page 5 on "Receive FEMA's Decision").

¹⁹ DHS/FEMA, "Application/Registration for Disaster Assistance," O.M.B. No. 1660-0002, expires September 30, 2025 (see box 32, which captures the family's pre-disaster income before taxes are deducted or allows an applicant to indicate their income is not available) (hereinafter DHS/FEMA, "Application for Assistance"); FEMA, *IAPPG*, pp. 81-82, 97, 102, 120-121, 145, 156-157; FEMA Office of External Affairs email correspondence with CRS dated March 7, 2023.

²⁰ 44 C.F.R. §206.110(a); FEMA, *IAPPG*, pp. 49-51. See also DHS/FEMA, "Application for Assistance" (see boxes 25-27, which document home/personal property insurance, uninsured/underinsured disaster-related expenses (e.g., funeral), and disaster-related vehicle damage and insurance; and the privacy notice, which notes that a principal purpose for collecting the application information is to prevent a duplication of benefits).

²¹ FEMA, *IAPPG*, pp. 49-51.

²² Prior to March 22, 2024, disaster survivors whose net insurance proceeds were equal to or greater than the statutory maximum amount of financial assistance FEMA can provide under the IHP (42 U.S.C. §5174(h)) were found ineligible for IHP assistance, but following that date, FEMA's amended regulations became effective such that underinsured disaster survivors may receive assistance to address their uninsured or underinsured disaster-caused necessary expenses and serious needs (up to the maximum amount of financial assistance) even when their net insurance proceeds are equal (continued...)

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.²³

Of note, there are some additional insurance-related considerations in the context of incidents with flooding.²⁴ 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.²⁵ 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.²⁶

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 also limited based on statutory funding caps. For FY2024, the maximum amount of financial assistance for housing is \$42,500 (adjusted annually), and the maximum amount of financial assistance for other needs is also \$42,500 (adjusted annually).²⁷ 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.²⁸

to or greater than the maximum amount of financial assistance. DHS/FEMA, "Individual Assistance Program Equity," 89 *Federal Register* 4018, January 22, 2024.

²³ FEMA, *IAPPG*, p. 51.

²⁴ 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."

²⁵ 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.

²⁶ 44 C.F.R. §206.113(b)(8).

²⁷ 42 U.S.C. §5174(h); DHS/FEMA, "Notice of Maximum Amount of Assistance Under the Individuals and Households Program," 88 *Federal Register* 72520, October 20, 2023, <https://www.govinfo.gov/content/pkg/FR-2023-10-20/pdf/2023-23168.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). Excluded 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 and improvements necessary to meet the individual or household's accessibility-related needs (42 U.S.C. §5174(h)(1) and (4)); FEMA, *IAPPG*, pp. 86 and 146; DHS/FEMA, "Individual Assistance Program Equity," 89 *Federal Register* 3997, January 22, 2024). Additionally, some forms of ONA are subject to further financial limits established by the affected state, territory, or tribal government (FEMA, *IAPPG*, pp. 147 and 149; see also 44 C.F.R. §206.120).

²⁸ 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."

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 FEMA can also verify losses by using geospatial inspections or documentation of losses (e.g., medical bills or receipts for automobile repairs).²⁹ 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.”³⁰ 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.³¹

After an IHP applicant is approved for assistance, does FEMA ever re-evaluate their eligibility?

FEMA must evaluate an IHP applicant’s continued need for assistance in order to continue providing some forms of financial and/or direct housing assistance.

- In the context of financial housing assistance, FEMA may provide initial rental assistance for up to two months. At that point, FEMA may provide Continued Temporary Housing Assistance to eligible applicants. Such assistance is provided “based on need and generally only when adequate, alternate housing is not available,” and it also requires that the applicant must identify and then work towards achieving their permanent housing plan (which has not been fulfilled through no fault of the applicant).³² To that end, individuals receiving Continued Temporary Housing Assistance must recertify their need for such assistance and demonstrate that they are making progress on their permanent housing plan, and they are expected to obtain and occupy permanent housing at the earliest possible time.³³

²⁹ FEMA, *IAPPG*, p. 72.

³⁰ FEMA, *IAPPG*, p. 50.

³¹ FEMA, *IAPPG*, pp. 49-51.

³² FEMA, *IAPPG*, pp. 80-81; 44 C.F.R. §206.114(a) and (b)(1) and (2). FEMA’s updates to its regulations are making a change to when IHP applicants seeking continued rental assistance must have established a realistic permanent housing plan such that the plan no longer needs to be established at the first certification for continued assistance. Instead, according to FEMA’s interim final rule, “FEMA splits the recertification process into several timeframes and allow applicants to build upon their preliminary documentation as the disaster recovery continues” (DHS/FEMA, “Individual Assistance Program Equity,” 89 *Federal Register* 4035-4037, January 22, 2024).

³³ FEMA’s regulation at 44 C.F.R. §206.114, which describes the criteria for receiving continued assistance, does not specify the period for certification for continued assistance, nor is it specified in FEMA’s guidance. However, in the past, it has been done in three-month increments—this was specified in a previous version of FEMA’s regulations that applied to disasters on or before October 2002 (see 44 C.F.R. §206.101(k)(2)), and it is in FEMA releases related to some recent incidents, such as FEMA’s April 19, 2022, release related to Hurricane Ida, “Continued Rental Assistance: It’s Here If You Need it,” available at <https://www.fema.gov/fact-sheet/continued-rental-assistance-its-here-if-you-need-it>, which states, “Extensions on rental assistance may be granted for three-month periods up to a maximum of 18 months from August 29, 2021, the date of the Hurricane Ida disaster declaration.” Additionally, FEMA’s interim final (continued...)

- In the context of direct housing assistance, FEMA usually re-evaluates an occupant’s eligibility to remain in a temporary housing unit provided as Direct Temporary Housing Assistance on a monthly basis.³⁴ This is done through a recertification visit, during which the occupant must show they still have a continued need for housing, are actively participating in the recertification process, and are making progress towards achieving their permanent housing plan.³⁵

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 documentation supporting the appeal request (a written and signed appeal letter of explanation is not required).³⁶ 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.³⁷ FEMA’s decision is final.³⁸

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.³⁹ 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).⁴⁰

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.⁴¹ Examples of improper payments include

rule, effective March 22, 2024, provides a table of timeframes for Continued Temporary Housing Assistance that lists three phases: Initial Recertification Phase (first two payments); Intermediate Recertification Phase (second two payments); and Concluding Recertification Phase (final payments and any extension of the period of assistance) (DHS/FEMA, “Individual Assistance Program Equity,” 89 *Federal Register* 4036, January 22, 2024 (see “Table 5: Continued Temporary Housing Assistance Timeframes”).

³⁴ FEMA, *IAPPG*, p. 98.

³⁵ See, for example, FEMA, “Direct Housing Assistance Recertification,” release, January 12, 2024, <https://www.fema.gov/fact-sheet/direct-housing-assistance-recertification> (related to Hurricane Idalia).

³⁶ 42 U.S.C. §5189a(a); 44 C.F.R. §206.115(a)-(b); DHS/FEMA, “Individual Assistance Program Equity,” 89 *Federal Register* 3999, January 22, 2024.

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

³⁸ 44 C.F.R. §206.115(f); FEMA, *IAPPG*, pp. 66-68. See also FEMA, “How Do I Appeal the Final Decision?” last updated May 15, 2023, <https://www.fema.gov/assistance/individual/after-applying/appeals>.

³⁹ Email correspondence with FEMA Congressional Affairs staff, August 17, 2022.

⁴⁰ Email correspondence with FEMA Congressional Affairs staff, August 17, 2022.

⁴¹ Section 2(d)(2) of the Improper Payments Information Act of 2002 (P.L. 107-300); FEMA, *IAPPG*, pp. 176-178.

overpayments, payments made to ineligible recipients, payments used for ineligible services, and duplication of benefits.

There are some circumstances, however, when FEMA may not pursue recoupment. FEMA is required to waive recoupment of IHP assistance in two situations, provided the debt does not involve fraud, a false claim, or misrepresentation by the debtor or party having an interest in the claim:

1. “if the covered assistance [i.e., IHP assistance] was distributed based on an error by the Agency [i.e., FEMA] and such debt shall be construed as a hardship; and
2. “if such [covered] assistance [i.e., IHP assistance] is subject to a claim or legal action....”⁴²

To the first circumstance, according to FEMA, the agency “must proactively assess if [a] potential debt is the result of FEMA error and if it is FEMA will not proceed with any action to seek the assistance back from the applicant and ‘waive’ proceeding with debt collection.”⁴³ Further, to the second circumstance, according to FEMA,

FEMA interprets the waiver requirement for ‘a claim or legal action’ as applicable to circumstances where, for example, FEMA provides Individual Assistance and then subsequently a utility is determined responsible for the major disaster event and provides reimbursement for the losses caused by the utility to the same Individual Assistance applicants FEMA provided assistance to. In this circumstance FEMA will not determine its assistance a duplication and will not proceed with any action to seek assistance back from the applicant.⁴⁴

IHP recipients who 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, unless FEMA must waive the debt.⁴⁵

Can disaster survivors apply for SBA disaster loans even though they are not business owners?

Prior to March 22, 2024, IHP applicants who met the Small Business Administration’s (SBA’s) minimum income requirements had to first apply for an SBA disaster loan, and either be denied or receive a partial loan, before they could be considered for FEMA’s SBA-Dependent ONA, which included assistance for personal property, transportation, and Group Flood Insurance Policies (GFIPs). FEMA amended its regulations, removing this requirement, so the new process allows IHP applicants to receive the IHP assistance they apply and are eligible for, including all forms of ONA, without first having to apply for an SBA disaster loan.⁴⁶

IHP applicants may still choose to apply for an SBA disaster loan if they require additional funding to address their unmet real or personal property needs. The Small Business Administration provides low-interest disaster loans for real and personal property to disaster survivors. Of note, the SBA disaster loan application is a separate application from the FEMA

⁴² Section 5602(a) of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (P.L. 117-263).

⁴³ FEMA Office of External Affairs email correspondence with CRS dated October 4, 2023.

⁴⁴ FEMA Office of External Affairs email correspondence with CRS dated October 4, 2023.

⁴⁵ FEMA, *IAPPG*, pp. 177-182 (see “Figure 33: FEMA Process for Identifying and Validating Debt Payments”).

⁴⁶ DHS/FEMA, “Individual Assistance Program Equity,” 89 *Federal Register* 4009, January 22, 2024.

IHP application for assistance, and therefore, disaster survivors must submit a separate application for an SBA disaster loan in order to be considered for such assistance. For additional

information on SBA disaster loans, see CRS Report R44412, *SBA Disaster Loan Program: Frequently Asked Questions*, by Bruce R. Lindsay.

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.

Author Information

Elizabeth M. Webster
Specialist in Emergency Management and Disaster
Recovery

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