

Disaster assistance process overview

Table of Contents



Shrinking time between disaster and recovery.

Key Assistance Sources	2
Process Overview for Insurance, FEMA Grants, SBA Loans	3
Funding Sources	5
How to File a Flood Insurance Claim	6
How to Register for FEMA Assistance	8
How to Appeal a FEMA Disaster Assistance Decision	11
How to Apply for an SBA Disaster Loan	13

Disaster assistance process overview

A guide through the post-disaster recovery process.



Shrinking time between disaster and recovery.

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

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

Maximizing your disaster assistance is a complicated process to undertake during an already difficult time. It's important that you don't allow frustration, lack of information or misinformation to force you to settle for less than what you are entitled to. We hope this guide helps you take full advantage of the help that's available, and speeds you along the road to a predictable recovery.

KEY ASSISTANCE SOURCES

HOMEOWNERS INSURANCE

If you have homeowners insurance, this provides you funds to repair or replace your damaged property for covered losses in the event of a disaster.

NFIP

National Flood Insurance Program

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

SBA

Small Business Administration

You'll see this in regards to SBA loans which, despite the name, can be used by non-business owners to repair or replace homes, personal property and more.

FEMA

Federal Emergency Management Agency

The government agency that coordinates the response to a domestic disaster that has occurred and overwhelmed the resources of local and state authorities.

- **IHP**

Individuals and Households Program

This is a FEMA program that provides financial help or direct services to those who have necessary expenses and serious needs which they're otherwise unable to meet or cover.

- **ONA**

Other Needs Assistance

This is part of FEMA's IHP program, and provides support for non-housing needs.



TIPS

YOU ARE YOUR OWN BEST ADVOCATE!

Be as detailed as possible about all of your disaster losses. You can't get assistance for losses and needs that your insurance company, FEMA or SBA don't know about.

YOU CAN AND SHOULD APPEAL DECISIONS!

If the amount suggested by the claims adjuster is too low, if you are denied, or offered insufficient amounts for FEMA assistance or an SBA loan—you can and should appeal.

DOCUMENT EVERYTHING!

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

You've been through a disaster. Now what?

The three major funding sources—insurance, FEMA grants and SBA loans—are where you need to turn for financial help.

INSURANCE

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

YES*

NO

Then you'll want to register with FEMA.

Homeowner's Insurance

Document damage covered by your policy
Call your agent ASAP
Get an inspection
Receive settlement amount offer

Flood (NFIP) Insurance

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

SATISFIED WITH SETTLEMENT OFFER?

YES

NO

YES

NO

Accept and apply funds to your recovery as appropriate.

You can negotiate.

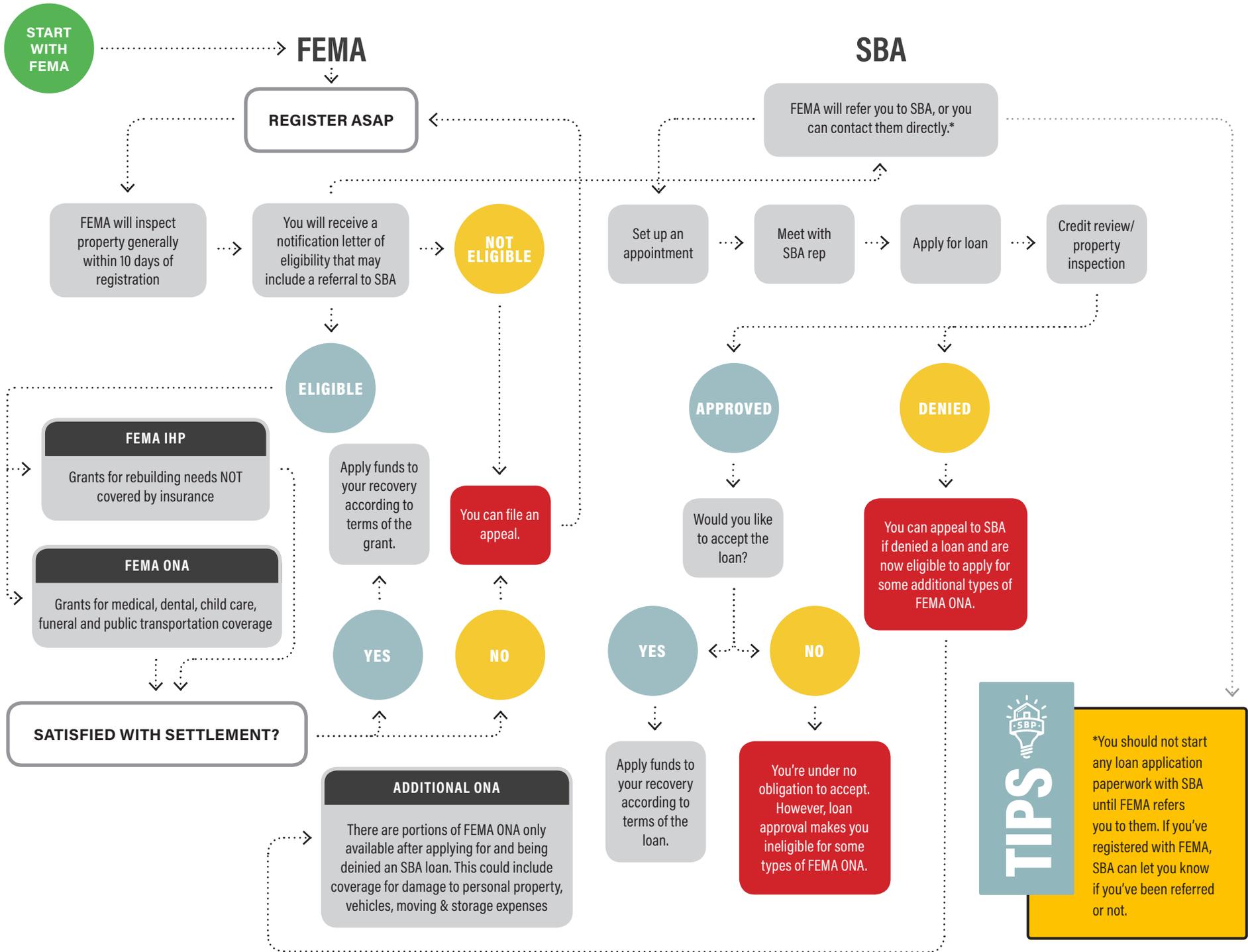
Accept and apply funds to your recovery as appropriate.

You can negotiate OR file an appeal to FEMA.



TIPS

*It's a good idea to register with FEMA and begin the FEMA assistance application process while going through the insurance claims process to save time.



Funding Sources

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

INSURANCE

Homeowners, Flood (NFIP)

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

WHAT IT COVERS

Depending on the terms and limits of your policies:

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

FEMA

Individuals & Households Program (IHP)

FEMA's Individuals & Households Program (IHP) provides financial help or direct assistance to individuals and families for eligible disaster-caused needs not covered by insurance. Even if you do not have insurance, you may be eligible for some types of assistance. IHP is designed to help meet essential needs and bring homes back to a livable condition, not pre-disaster condition.

WHAT IT COVERS

Needs NOT covered by insurance in these areas (up to \$33K in total):

Housing Other Needs Assistance (ONA)

- Temporary housing assistance (rental funds or direct temporary housing)
- Funds for repair/replacement of a damaged home your policy
- Funds for medical, dental, funeral, childcare, public transportation, clean-up items and other eligible misc. expenses
- Funds for repair/replacement of personal property, vehicle and transportation, and moving and storage expenses

SBA

Disaster Loans - Home & Property

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

WHAT IT COVERS

Low interest, long term loan funds to help:

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

Also, to be eligible for some types of FEMA Others Needs Assistance you must first apply for and be denied an SBA loan.

Getting Disaster Assistance:

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



DOCUMENT & CONTACT

Contact your NFIP insurance agent to start the claims process for flood damages.

Contact your homeowners insurance agent to report damages caused by other perils.

REQUIRED DOCUMENTS

Policy number(s) and insurance company info

Documentation on damaged property, such as receipts, contractors' estimates & photos

KEY TERMS



Flood: (NFIP definition) a general and temporary condition where 2 or more acres of normally dry land, or 2 or more properties, are inundated by overflow of inland or tidal water, unusual and rapid accumulation or runoff of surface water, or mudflow.

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

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

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

THE BASICS

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

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

You do not have to accept the first dollar amount suggested—you can work with the adjuster, your insurance company and FEMA to reach a higher dollar amount for covered losses that you do agree on.

THE FINE PRINT

Flood insurance and homeowners insurance are different.

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

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

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

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

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

Getting Disaster Assistance:

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

THE FLOOD INSURANCE CLAIMS PROCESS

1. Report your loss to your insurance agent as soon as possible.
2. Your insurance company will assign an adjuster to your case. Within 24-48 hours, the adjuster will call you to schedule an appointment.
3. During their visit, the adjuster will inspect the property and may ask if you wish to request an advance payment from your insurance company. It is helpful to prepare a list ahead of time of your flood-caused damages. Take photos of all the damages and have copies of receipts, contractor estimates and other documentation to help with the loss estimation process.
4. The adjuster will send a detailed, room-by-room cost estimate of damage and *Proof of Loss* Form.
 - a. The *Proof of Loss* is your sworn statement of the amount you are claiming, including necessary supporting documentation, for your official claim for damages. A *Proof of Loss* can be many things, but must contain the specific details set forth in the Standard Flood Insurance Policy (see NFIP's standard form here).
 - b. Individual insurance companies may have different requirements for what supporting documentation needs to accompany the *Proof of Loss* form. Talk to your NFIP agent about what documentation your insurance company requires.
5. Review the cost estimate of damage and *Proof of Loss* form.
 - a. **If you agree with the suggested amount**, you will sign, swear to and submit it to your insurance company.
 - b. **If you do not agree with the suggested amount**, you can work through the following escalating steps until you agree on a new amount (it can be helpful to have your general contractor involved in this process): your adjuster, then your adjuster's supervisor, then your insurance company's claims department.
 - c. **If you still can't reach an agreement on a covered loss amount**, complete a *Proof of Loss* for the total amount you are requesting and send it with supporting documentation to your insurance company.
6. If the insurance company agrees with your *Proof of Loss*, the claim will be settled. If they disagree, you will receive payment for the undisputed amount and a detailed letter explaining the denial of any disputed amount.
7. If any part of your claim is denied, you have three options:
 - a. Send an amended *Proof of Loss* with more supporting documentation back to the insurance examiner
 - b. Submit a formal appeal to FEMA, within 60 days of receiving the denial letter, that includes supporting documentation for your appeal
 - c. File a lawsuit against your insurer, within one year of receiving the denial letter. Once you file a lawsuit you can no longer appeal your claim with FEMA or file an amended *Proof of Loss* with your insurer
8. If you find additional damage after you file the claim, or repairs cost more than estimated, contact your agent to file for additional payment.

TIPS

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

FOR EXAMPLE:

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

DO SAY: Before the flood my

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

Photograph and move water-damaged items outside to help prevent mold, but don't have them hauled away until after the adjuster sees them.

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

Getting Disaster Assistance:

Register for FEMA Individuals & Households Program Assistance



DOCUMENT & REGISTER

HOW TO REGISTER

Online: www.disasterassistance.gov

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

REQUIRED REGISTRATION INFORMATION

- Social security numbers
- Contact information (phone & current mailing address)
- Financial information (your family's total household income)
- Insurance information (types of coverages you have)
- Documentation of personal loss
- Banking information (bank name, account type, account & routing number)



KEY TERMS

Presidential Disaster Declaration:

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

THE BASICS

FEMA's Individuals & Households Program (IHP) provides financial help or direct assistance to individuals and families for eligible disaster-caused needs not covered by insurance. Even if you do not have insurance, you may be eligible for some assistance.

TYPES OF ASSISTANCE INCLUDE:

Housing (If not covered by insurance)

- Rental assistance or direct temporary housing to cover temporary housing needs
- Costs to repair/place damages to home to bring it to a livable condition

OTHER NEEDS ASSISTANCE (ONA) (If not covered by insurance)

- Medical, dental, funeral, childcare, public transportation, clean-up items and other eligible miscellaneous expenses
- Repair/replacement of personal property, vehicle and transportation, and moving and storage expenses

You can begin the application process as soon as the President makes a major disaster declaration for your state. This application starts the consideration process for all types of FEMA IHP assistance for which you are eligible—you do not need to create multiple applications.

Households may receive multiple types of IHP assistance; FEMA will determine which are appropriate, and you can appeal this decision. Check www.fema.gov/disasters to see if your disaster was declared.

Applying for federal disaster assistance is a process with several steps, and many times successful applications require rejections or denials to be part of the process. If you are denied, it doesn't always mean that you aren't eligible for or won't get assistance. Often, more information or corrected or differently worded language is needed for your application to be considered.

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

THE FINE PRINT

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

Getting Disaster Assistance:

Register for FEMA Individuals & Households Program Assistance (Continued)

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

To be eligible for some types of ONA (repair/replacement of personal property, vehicle and transportation, and moving and storage expenses), you must have first applied for and been denied a Small Business Administration (SBA) disaster loan (see the section on SBA Disaster Loans).

IHP grant assistance is limited to a maximum of \$33K and a period of 18 months following the disaster declaration.

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

DAMAGE INSPECTION & NOTIFICATION PROCESS

Required Documents to Have for Your Inspection

- Proof of ownership/ occupancy (tax bill, mortgage statement, utility bill, deed, etc.)
- Contact information (phone & current mailing address)
- Photo ID
- Insurance information (including auto)
- List of storm-related damages and a list of pre-storm damages (things the inspector does not need to consider because they were caused by something other than the disaster—FEMA assistance only covers disaster-caused needs)

1. If you have insurance, contact your insurance agent first. After that, register with FEMA as soon as possible! Generally, you must register within 60 days of the disaster declaration.

2. An inspection date and time will be set for your home within 7-10 days. The inspector will document your damages onsite and provide you with a FEMA case number that you can use to track your case.



DO NOT MISS YOUR INSPECTION. If you can't be there, call and re-schedule your appointment or ask another person age 18 or older to stand in for you. If someone is standing in for you, they should also have a letter, text or email from the homeowner that

states why he/she cannot be on hand, how they know you, signature and date, and contact information.

3. Within about 10 days of the inspector's visit, you will receive a letter from IHP informing you of the decision on your request for help.

- If you are eligible, the letter will explain what the money can be used to pay for. Only use the money as explained in the letter. This will be followed by a U.S. Treasury/State check or there will be a transfer of cash to your bank account.
- If you are not eligible for help, the letter will give the reason for the decision and your rights to appeal.
- If referred to the SBA for the SBA Disaster Loans Program, you will receive an SBA application and the SBA may call to set up an appointment.

Getting Disaster Assistance:

Register for FEMA Individuals & Households Program Assistance (Continued)



TIPS

Even if your area has not been added to the declaration for assistance yet, you should still register if you have disaster-caused damages as it may be added in the future.

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

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

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

These additional types of losses may be eligible for IHP's Other Needs Assistance:

- Vehicle or means of transportation
- Appliances
- Storm-related medical or dental concerns
- Displacement (if you need housing assistance)
- Work-related tools or supplies

Protect yourself from disaster-related fraud.

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

Getting Disaster Assistance:

Appealing a FEMA Disaster Assistance Decision

APPEAL PROCESS

Be prepared to be involved in your FEMA process. Appeal, follow up, call and engage with the system as much as possible to make your voice and your needs heard.

You may appeal any decision FEMA makes about what types and amounts of disaster assistance you qualify for. FEMA considers a denial to be the start of conversation between themselves and the homeowner. A denial doesn't necessarily mean that you aren't eligible or won't receive assistance but that there may be more steps you need to take in the process to get it.

A denial or insufficient funds from your insurance company and SBA are often necessary steps towards a FEMA approval. Federal disaster assistance can be a helpful tool if you are willing to put time and effort into the process.

BEFORE YOU APPEAL

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

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

Request your file from FEMA. This will show what info they used to make their decision. You have 60 days from the date of decision to respond. Work within this timeline.

Review the Presidential Disaster Declaration Announcement. The language used on the declaration is key for a successful application/appeal. Find it at www.fema.gov/disasters.

National Disaster Legal Aid has a free, interactive FEMA appeals tool that will generate a FEMA file request and appeal letter for you based on your answers to a series of questions. You can find the tool at https://www.disasterlegalaid.org/legalhelp/item.5466-Appeal_Your_FEMA_Decision If not using the interactive tool, below you will find tips on what to include when writing your appeal letter yourself.

What to Include in Your Appeal:

1. Letter to FEMA
 - FEMA number AND Presidential Disaster Code

- Full name and SSN of property owner
- Address of property affected by the disaster
- Contact information
- Complete details about concerns and justification for the appeal
- Signature, date
- *If this letter is written by someone other than the applicant, also include the writer's name, address, phone number, and relation to the applicant

2. Copy of State ID

3. 2 – 3 Contractor estimates (Copies)

- On letterhead
- Signed by contractor
- Specify that damages are storm related
- Line by line breakdown of damages and cost
- Verifiable phone number

KEEP IN MIND

Use the language of the Presidential Disaster Declaration in your appeal letter. If the "event" is termed a flood, for each instance of damage in your letter, clearly state how the flood (or other type of disaster event listed in the declaration) caused it.



For example:

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

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

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

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

Getting Disaster Assistance:

Appealing a FEMA Disaster Assistance Decision (Continued)

Some types of FEMA Other Needs Assistance (ONA) require you to apply for and be denied a SBA Disaster Assistance Loan before you are eligible. Your application may be denied and you will be referred to the SBA for that reason. If you complete an SBA Loan Application and are denied a loan, you will then be referred back to FEMA.

EXAMPLE APPEAL LETTER WITH SAMPLE ISSUES

FEMA # 12345678

DISASTER # 4241 SC

NAME John Smith

ADDRESS 123 Main Street, Town, XX 01234

PHONE (123) 456-7890

Since the time of the FEMA inspection (01/02/20XX), disaster damage has happened that requires necessary and essential repairs to be made to my home.

Due to contamination from flood waters during the disaster, my well needs to be sanitized. See attached estimates.

Mold growth has resulted since flood waters entered my home during the disaster. According to the contractor, the ceiling and floor need professional mold remediation. See attached contractors' estimates.

-John Smith
01/02/20XX

Attached: photo of my driver's license, repair estimates

AFTER YOU APPEAL

Maintain copies of your original documents in case you need to submit additional appeals.

Always follow up. Keep asking questions and re-applying. Be prepared for the process to take time and energy.

Keep records of your communications with FEMA officials as well as their names and contact information; this may be helpful with future appeals.

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

Getting Disaster Assistance:

Applying for SBA Disaster Home & Property Loans



DOCUMENT & APPLY

HOW TO APPLY

Online: www.disasterloan.sba.gov/ela/

By mail:

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

In person at a Disaster Recovery Center

Contact SBA: www.sba.gov/disaster

1-(800) 659-2955 | TTY: 1-800-877-8339
disastercustomerservice@sba.gov

REQUIRED DOCUMENTS

- Contact information
- Social security numbers
- FEMA registration number
- Deed or lease information
- Insurance information
- Financial information



KEY TERMS

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

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

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

THE BASICS

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

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

The amount SBA will lend depends on the cost of repairing/replacing your home/personal property, minus any insurance settlements or other payouts.

In some cases, SBA can refinance all or part of a previous mortgage.

THE FINE PRINT

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

Getting Disaster Assistance:

Applying for SBA Disaster Home & Property Loans (Continued)

- Remember, these are low interest loans that can be helpful in covering your immediate needs but will eventually need to be paid back. Interest rates for homeowners and renters unable to obtain credit elsewhere won't exceed 4%, and loans are offered with up to 30-year terms in many cases.

THE APPLICATION PROCESS

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

4. SBA will review your credit before sending an inspector to your home to verify disaster-related damages.

5. A loan officer will determine your possible loan amount, taking into consideration insurance or other settlements. The approximate timeframe is 2-3 weeks for a decision from SBA following the inspection. If approved, SBA will prepare and send loan documents to you for your signature. You do not have to follow through with accepting the loan.

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



TIPS

- Do not wait for your insurance settlement before applying for an SBA loan, if referred to SBA by FEMA; loan amounts can be adjusted later.
- You must apply for an SBA loan, even if you do not intend to use one, in order to qualify for certain benefits through FEMA's Individuals and Households Program (IHP) Other Needs Assistance program.
- To obtain a loan, you must have sufficient credit, collateral (required for loans over \$14,000), and be able to demonstrate that you can repay the loan.



Shrinking time
between disaster
and recovery.

Post-Disaster Insurance Guide

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

TIP 1

Contact your insurance company right away.

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

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



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

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

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

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



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



TIP 2

Record what's been damaged.

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



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

TIP 3

Take reasonable steps to prevent further damage.

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



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

TIP 4

Document everything.

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

TIP 5

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

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

TIP 6

Work closely with your claims adjuster.

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

TIP 7

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

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

TIP 8

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

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



The initial settlement is not always the final claim settlement.

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

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

TIP 9

Spend settlement money only on repairs and replacing damaged items.

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

TIP 10

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

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

Updated 3/10/2017



Shrinking time
between disaster
and recovery.

Avoiding Contractor Fraud

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

WHAT IS CONTRACTOR FRAUD?

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



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

WHY IS THERE CONTRACTOR FRAUD IN MY COMMUNITY?

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

7 Tips to Avoiding Contractor Fraud

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

1

Only hire licensed and insured contractors.

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

2

Get multiple estimates.

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

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

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

4**Obtain referrals.**

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



What if I am a victim of contractor fraud?

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

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

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

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

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

7**Avoid Referral Schemes.**

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



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Contractor Fraud Checklist

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

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

STEP 1

Licensure/ Insurance

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

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



Reminder

Do not rush this process!

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

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

STEP 2

Bids and Estimates

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

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

STEP 3

Contract Details

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

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



Shrinking time
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and recovery.

Mold Remediation Guide

This guide provides an overview on mold and walks you through an effective mold remediation process, which can be undertaken with help from your family and/or neighbors. **Remember, you DO NOT and SHOULD NOT have to spend thousands of dollars on mold remediation.**

An Overview of Mold

WHY IS MOLD GROWING IN THE HOME?

Molds are part of the natural environment. Outdoors, molds play a part in nature by breaking down dead organic matter such as fallen leaves and dead trees, but indoors, mold growth should be avoided. Molds reproduce by means of tiny spores; the spores are invisible to the naked eye and float through outdoor and indoor air. Mold may begin growing indoors when mold spores land on surfaces that are wet. There are many types of mold, and none of them will grow without water or moisture.

CAN MOLD CAUSE HEALTH PROBLEMS?

Because molds produce allergens (substances that can cause allergic reactions), irritants, and in some cases, potentially toxic substances (mycotoxins), they have the potential to cause health problems. Inhaling or touching mold or mold spores may cause immediate or delayed allergic reactions, which could include hay fever-type symptoms, such as sneezing, runny nose, red eyes, and skin rash (dermatitis), or additional irritation to the throat and lungs. Molds can also cause asthma attacks in people with asthma who are allergic to mold. Research on mold and health effects is ongoing. For more detailed information, consult a health professional.

HOW DO I GET RID OF MOLD?

Mold and mold spores occur naturally but will not grow if moisture is not present, and indoor growth can and should be prevented or controlled by controlling moisture indoors. If there is mold growth in your home, you must clean up the mold and fix the water problem. Professional mold remediation services can cost thousands of dollars, and prices can go up even further after a disaster. **In many cases mold is something you can safely, effectively and much more affordably remediate yourself with the proper supplies and by following proper procedures.**

Before beginning, check with your State to see if there are any mold regulations in place; some states do have mold assessment and remediation licensing rules, but they typically exempt homeowners who are doing remediation in their own homes. Also check with your insurance company to see if your policy has any requirements regarding mold remediation.

After checking and complying with any applicable requirements, you can use the tips and step-by-step techniques in this guide to effectively clean up mold in your home so you can move forward with repairs or rebuilding.

COMMON SOURCES OF EXCESS MOISTURE AND MOLD GROWTH INCLUDE:

- Roof leaks and associated moisture in walls, ceilings and attics
- Wet subfloor or wet carpet and/or flooring
- Water sitting in a basement or crawl space and creating high humidity in home.
- Plumbing backups
- Mold spores in HVAC ducts
- Inadequate attic ventilation

Mold Cleanup Guidelines

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

- Fix plumbing leaks and other water problems as soon as possible. Dry all items completely.
- Non-porous items like plastics and metals can be scrubbed with detergent and water and dried.
- Absorbent or porous materials, such as ceiling tiles, insulation, and carpet, may have to be thrown away if they become moldy. Mold can grow on or fill in the empty spaces and crevices of porous materials, so the mold may be difficult or impossible to remove completely.
- In addition to causing mold growth, flood waters may have carried chemicals, sewage and other contaminants into your home. For more information on sanitizing and disinfecting, visit www.cdc.gov/disasters/floods/cleanupwater.html.
- Do not paint or caulk moldy surfaces. Clean up the mold and dry the surfaces before painting. Paint applied over moldy surfaces is likely to peel.

WHAT TO WEAR WHEN CLEANING MOLDY AREAS



Avoid breathing in mold or mold spores. In order to limit your exposure to airborne mold, you should wear an N-95 respirator, available at many hardware stores and online (Cost: \$12-\$25), or respirator with 100-series replaceable filters. Some N-95 respirators resemble a paper dust mask with a nozzle on the front, others are made primarily of plastic or rubber and have removable cartridges that trap most of the mold spores from entering. In order to be effective, the respirator or mask must fit properly, so carefully follow the instructions supplied with the respirator. Please note that the Occupational Safety and Health Administration (OSHA) requires that respirators fit properly (fit testing) when used in an occupational setting; consult OSHA for more information (www.osha.gov).



Wear gloves. Long gloves that extend to the middle of the forearm are recommended. When working with water and a mild detergent, ordinary household rubber gloves may be used. If you are using a disinfectant, a biocide, or a strong cleaning solution, you should select gloves made from natural rubber, neoprene, nitrile, polyurethane, or PVC. Avoid touching mold or moldy items with your bare hands. When demolishing moldy construction materials, a pair of leather gloves can be worn over disposable gloves to better protect hands from rough materials.



Wear goggles. Goggles that do not have ventilation holes are recommended. Avoid getting mold or mold spores in your eyes.



Protective clothing. For large remediation jobs, using disposable, full-body protective coveralls (such as Tyvek suits) and boot covers over your work boots can help to protect people from mold spores and cleaning agents, as well as limit further spread of mold spores outside the work area. After each work day, disposable equipment and clothing should be safely disposed of, reusable equipment and protective clothing cleaned according to the manufacturers' recommendations, regular work clothing washed in hot water and detergent separate from other clothes, and boots cleaned.

MOLD REMEDIATION PROCEDURE

The purpose of this procedure is to:

- Kill mold caused by flooding
- Dry out materials holding enough moisture to accommodate high mold growth
- Provide a general cleaning
- Prevent new mold growth
- Increase homeowner quality of life and health

STEP 1

Locate the source of water/moisture.

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

STEP 2

Use 6mm plastic to contain the area of mold remediation.

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

STEP 3

All volunteers must be wearing respirators before entering the house during this stage.

Clean out respirators with antibacterial wipes (and let dry) before using. Respirators must be worn for at least 24 hours after wire brushing when in the house.

STEP 4

Remove nails and staples.

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

STEP 5

All exposed surfaces of the framing need to be scrubbed with a wire brush.**

Brush up and down, side to side, circularly and diagonally.

- Once surface is scrubbed, mark an "X" on the stud with a permanent marker or wax crayon, indicating a fully scrubbed surface. It is very difficult to discern what has been scrubbed -- marking with an X keeps track. This stage activates any latent mold in the wood, and brings it out to be killed. It also increases the surface area of the framing, allowing fungicide to penetrate deeper to access more of the stud.
- While scrubbing, have volunteers fold shop towels into sixths.
- Apply fungicide to all wood marked with an "X" according to product instructions (when recommended, spray application is often easiest). When wiping down studs with shop towels, flip towel to different clean face each time it becomes dirty and do not re-use dirty towels or re-dip dirty towels into fungicide; once all towel faces have been used, discard and replace with a new, clean towel. After stud is wiped down on all sides, circle the "X" with the permanent marker/crayon.



What about Bleach and Vinegar?

Bleach is effective at cleaning hard, nonporous surfaces ONLY. It does not clean below the surface to kill mold spores and roots in porous or semi-porous materials like wood, and as a result, mold can and will regrow. The [EPA and CDC do not recommend using bleach for mold remediation](#) and instead recommend using a detergent. EPA-registered commercial fungicides are another option and in addition to killing mold spores and roots, may also be formulated to prevent future mold growth.

Vinegar is commonly accepted to kill about 82% of mold species, but cannot kill ALL species of mold.



TIMELINE:
2 - 5 DAYS

SUPPLIES

RESPIRATORS & FILTERS
(single-use N95 masks or half masks w/replaceable 100 series filters)

LEATHER WORK GLOVES

NITRILE GLOVES

PROTECTIVE COVERALLS (such as Tyvek)

GOGGLES

DISH SOAP

ANTIBACTERIAL WIPES

WIRE CUTTERS

BROOMS & DUSTPANS

HAMMERS

DEMO HAND TOOLS

6MM PLASTIC ROLL

STAPLERS

DUCT TAPE

UTILITY BLADES

WIRE BRUSHES

PERMANENT MARKERS OR WAX
CONSTRUCTION CRAYONS

LADDERS

EPA-REGISTERED FUNGICIDE/MOLD
CONTROL PRODUCT

SPRAY BOTTLES

SHOP TOWELS

TRASH BAGS

HEPA VACUUM

Beneficial if you have access them:

FANS & AIR BLOWERS

DEHUMIDIFIERS

AIR SCRUBBERS W/HEPA FILTERS

STEP 6

Vacuum all exposed surfaces 3 times.

If you have access to a HEPA (High-Efficiency Particulate Arresting) vacuum: vacuum all exposed surfaces 3 times to minimize the spread of live and dead mold spores.

STEP 7

Dispose of mold-contaminated items.

Dispose of mold-contaminated items in sealed, doubled 6mm trash bags, twisted, folded over and taped shut at the top.

STEP 8

Framing must be dried out thoroughly before reconstruction, to minimize the possibility of future mold growth.

A common requirement is for framing to test below 17% moisture. Requirements may vary by city and state. The dry out process can be done using a combination of dehumidifiers, fans/air blowers, and heating equipment.

** If during your inspection, you find or suspect mold to be in your HVAC system, see the EPA's Air Duct Cleaning Guide for more information and to determine if it may be best to get help from qualified professionals (www.epa.gov/indoor-air-quality-iaq/should-you-have-air-ducts-your-home-cleaned).*

*** If accessible, operate an air scrubber(s) with a HEPA filter during mold demo and remediation. This equipment helps to filter mold spores from the air and reduces their ability to spread through the construction zone.*

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

You must have completely fixed the water or moisture problem before the cleanup or remediation can be considered finished.

You should have completed mold removal. Visible mold and moldy odors should not be present. Please note that mold may cause staining and cosmetic damage.

You should have revisited the site(s) shortly after cleanup and it should show no signs of water damage or mold growth.

People should have been able to occupy or re-occupy the area without health complaints or physical symptoms.

HOW SOON CAN YOU REBUILD AFTER REMEDIATION IS FINISHED?

You must make sure wooden framing has completely dried out (below 17% moisture) before installing drywall, flooring, or other finish material. Most molds are able to grow at moisture percentages of 20% or higher in wooden framing. There are three major factors in the speed of drying out wooden framing, which are heat, humidity, and time. Air blowers and dehumidifiers are tools used to speed up the dry-out process. Where possible, turning the heat to 90 degrees can make a large impact in the time it takes to dry out your house framing.

Once the framing has been assessed to meet moisture regulations (typically at or below 17% moisture), you may begin the rebuilding process. If you need to obtain an inspection from a state-licensed mold assessor (check with your state and your insurance company on any applicable requirements first), the inspection must take place after you've finished remediation but BEFORE starting rebuilding.

IS SAMPLING FOR MOLD NEEDED?

In most cases, if visible mold growth is present, sampling is unnecessary. Since no EPA or other federal limits have been set for mold or mold spores, sampling cannot be used to check a building's compliance with federal mold standards. Surface sampling may be useful to determine if an area has been adequately cleaned or remediated.

Sampling for mold should be conducted by professionals who have specific experience in designing mold sampling protocols, sampling methods, and interpreting results. Sample analysis should follow analytical methods recommended by the American Industrial Hygiene Association (AIHA), the American Conference of Governmental Industrial Hygienists (ACGIH), or other professional organizations.

For more information, please visit: SBPUSA.org



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Home Damage and Elevation and Code Compliance

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

Key Terms

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

SUBSTANTIAL DAMAGE:

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

MARKET VALUE:

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

BASE FLOOD ELEVATION (BFE):

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

STRUCTURE ELEVATION PROJECT:

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

INCREASED COST OF COMPLIANCE (ICC):

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

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

For information visit our website at SBPUSA.org

The Basic Process



Disaster event floods home.



Initial inspection estimates percent damage.



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



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



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

THE CALCULATION:

COST TO REPAIR

MARKET VALUE OF HOME



50%



SUBSTANTIAL DAMAGE

STEP 1

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

DETERMINE YOUR COST TO REPAIR

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

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

DETERMINE THE MARKET VALUE OF YOUR HOME

Acceptable estimates of market value include:

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



Future Flood Protection Ideas to Consider

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

STEP 2

Your Home is Officially Declared “Substantially Damaged”

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

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

STEP 3

Elevation and Code Compliance

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

STEP 4

How to Fund Your Elevation and Code Compliance Project

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



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



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



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



Reduced flood insurance and homeowners insurance rates



Increased market value and resale value of the home

STEP 5

Voluntary Methods to Reduce Future Flood Damage

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

Potential Post-Disaster Changes

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