

Homeowner Post-Disaster Road to Recovery



Disaster Strikes

Personal Safety

Is the Home Habitable?

Preliminary Inspection
The disaster may have completely destroyed the home or caused significant structural damage, electrical problems, or other hazards. Before entering a damaged home, a professional should check for loose power lines, gas leaks, cracked foundations, structural integrity.

Preliminary Safety Inspection
Identify Critical Repairs

Find Alternative Shelter
Preliminary Safety Inspection
Secure Home and Protect from Further Damage
Rescue Most Valuable Items

Roads to Recovery

Federal, State, and Local Matters

Insurance Matters

Mortgage Matters

FEMA provides housing assistance to individuals and families who have lost their homes as a result of a presidentially-declared disaster. Renters and homeowners both may qualify for assistance. By law, FEMA assistance cannot duplicate the assistance received from insurance coverage, but homeowners and renters may receive assistance for items not covered by insurance.

Access to information and programs is critical. Eligible individuals may miss out on grants, legal relief, assistance programs, and other beneficial options if they are not connected to an information source.

Is the damage covered by insurance?

First steps: Locate copy of policy and home inventory.
FAQs: Is the policy voluntary or lender-placed? Does the policy cover personal property or additional living expenses? What are the exclusions and limitations?

Who owns the loan?

Why It Matters. Loans owned by the government-sponsored entities, Fannie Mae or Freddie Mac, or insured by the government (FHA, VA, RHS) will be governed by applicable guidelines. Mortgage relief for other mortgages will be left to the discretion of the owners and servicers of these mortgages.

FEMA

File Claim

Claim Adjuster

First step: Register for FEMA assistance within 60 days. Don't wait for other determinations.

First Step: Notify carrier and file claim as soon as possible.
Watch out for issues related to multiple carriers or delays in adjusting the claim.

Public Adjusters
Field of "professionals" who offer to help homeowners recover higher claim amount from insurer. Many are unlicensed, charge exorbitantly high fees, and often do nothing. Homeowners should be wary.

Loan current or in default?

For loans in default consider how long the loan has been in default, long-term affordability of the home and whether there is equity to be saved. In some cases it may be better to move.

SBA

Indemnification Determination
Full, Partial, or Denial

Can the homeowner maintain payments?

SBA offers disaster-assistance in the form of low-interest loans to homeowners located in disaster areas.

Advance Distribution

Dispute Determination, if necessary

Forbearance or Other Loss Mitigation Options

FEMA Housing-related assistance includes:
Temporary Housing
Lodging Expense
Reimbursement
Repair grants
Replacement

State and Local Programs

Is there a mortgage on the home?

After a covered loss occurs, the insurance company issues a claim check identifying both the borrower and the mortgage lender, or servicer, as payee. Because the lender or servicer is also a payee, it effectively controls the disbursement of the proceeds to the borrower.

Distribution of Insurance Proceeds

FAQs
Who signs first? Usually the homeowner is required to sign first.
What about personal property proceeds? These should be disbursed immediately to the homeowner?
Are repairs feasible? This will determine whether funds are applied to repairs or the UPB.
Is there gap funding available through federal, state or local programs?

Compliance, Clawbacks, Collections

Home Repair

Once at the repair stage numerous home contractor issues may arise including overcharging; poor or incomplete work; contractor liens and lawsuits.
Questions may also arise concerning whether to repair or engage in other mitigation.

"Storm chasers" are predatory contractors, or other inexperienced contractors that underbid the cost of repairs in order to get the contract. They take the money and do nothing or perform poor or incomplete repairs. Some leave the property in worse condition.