

Assisting Older Homeowners After a Natural Disaster

Sapna Aiyer, Managing Attorney, Housing &
Consumer Unit, Lone Star Legal Aid

Odette Williamson, Attorney, National
Consumer Law Center

June 20, 2018

Housekeeping

- All on mute. Use Questions function for substantive questions and for technical concerns.
- Problems with getting on to the webinar? Send an e-mail to NCLER@acl.hhs.gov.
- Written materials and a recording will be available at NCLER.acl.gov. See also the chat box for this web address.

About NCLER

The National Center on Law and Elder Rights (NCLER) provides the legal services and aging and disability communities with the tools and resources they need to serve older adults with the greatest economic and social needs. A centralized, one-stop shop for legal assistance, NCLER provides Legal Training, Case Consultations, and Technical Assistance on Legal Systems Development. Justice in Aging administers the NCLER through a contract with the Administration for Community Living's Administration on Aging.

About NCLC

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S.

NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

About Lone Star Legal Aid

Lone Star Legal Aid is the fourth largest service provider of free legal aid in the United States. Lone Star Legal Aid serves 72 counties in Texas and four in Arkansas, an area that covers one-third of the state Texas, including almost 60,000 square miles from Texarkana, to the Louisiana-Texas Gulf Coast state-line, down to Matagorda Bay, and four counties in southwest Arkansas. Lone Star Legal Aid has 13 offices throughout east, southeast, and northeast Texas. Legal Services Corporation, Texas Access to Justice Foundation, and multiple grants generously fund Lone Star Legal Aid. Lone Star Legal Aid service area has nearly 1.5 million income-eligible Texas residents.

Key Lessons

- Older adults who are victims of major disasters have fewer private assets to aid in recovery.
- Accessing all available programs and resources from insurance, government, and aid organizations is essential to rebuilding.
- Private insurance and government assistance through FEMA and other programs provides funding for living expenses, repairs, and replacement of property.
- Immediately after a disaster, lenders will impose a moratorium on foreclosure. When the borrower's property, employment or income is seriously impacted by a major disaster, they may offer workout options.
- Homeowners should be wary and take steps to avoid disaster-related scams.

Road to Recovery

Road to Recovery

- Private Insurance
- Federal, state, and local assistance
 - FEMA
- Assistance from nonprofit organizations and other aid agencies
- Mortgage relief – temporary or permanent
- Relief from other debts
- Personal resources

Insurance

- File insurance claims for all losses
 - Homeowner, flood, health, auto
 - By phone and in writing by the deadline
- Secure property against further damage
- Keep an inventory of losses and expenses
- Send proof of loss and other documents required by policy
- Work with loan servicer to release proceeds for repair of property
- Seek help if treated unfairly

Federal Emergency Management Agency (FEMA) Assistance

FEMA – How It All Begins

There's been a natural disaster in your area. Now what happens?

- Not all storms/natural disasters are FEMA covered events.
- Governor declares a state declaration, then the Governor can ask for a FEMA declaration.
- President makes the decision to declare whether a disaster is covered by FEMA.

FEMA Disaster Deadlines

Once the disaster has been declared, older adult must file an application with FEMA for help.

- 60 days to apply for assistance at disasterassistance.gov or by calling 1-800-621-FEMA (3362)

This deadline can be extended by FEMA. If client has not registered yet, make sure to pay attention to that deadline.

FEMA Assistance

- What assistance does FEMA provide?
 - Housing repair
 - Rental assistance – temporary
 - Medical assistance
 - Personal property, including your car
 - Replacement food stamps
 - Disaster unemployment
- **Note:** Some of this assistance is provided through the state. For simplicity, the assistance is discussed in terms of FEMA

FEMA Process

The General Process:

1. Registration
2. The Small Business Association (SBA)
3. Confirmation from FEMA: email/phone/mail
4. Inspector
5. Verifying/proving damages
6. Appeal

Potential FEMA Issues

1. FEMA Notification
2. The inspection
 - a. FEMA can't get there
 - b. You can't prove damages
3. The appeal
 - a. Mechanic
 - b. Contractors
 - c. inventory
4. Insurance
 - a. Proof of insurance denial
 - b. Car insurance

FEMA: Process After Check

1. Receipts
2. Contractor fraud
 - a. Supply bait & switch
 - b. Contractor disappeared
 - c. Obtaining permits
3. It is not enough money – need to supplement
4. Possible FEMA audit

FEMA: After the Disaster

Helping your clients after the disaster:

- Flood insurance requirement
- Once FEMA helps with one disaster, FEMA will NOT provide assistance if the client has another disaster
- Purchase flood insurance at [floodsmart.gov](https://www.floodsmart.gov)

Mortgage Relief Following Disasters

Obtaining Mortgage Relief

- Contact the loan servicer and provide updated contact information
- Still responsible for paying the mortgage
- Unless borrower gets mortgage relief, loan will go into default

A large, yellow, curved shape that tapers from top to bottom, positioned vertically between the list of bullet points and the title of the report.

Obtaining Mortgage Relief for
Victims of Disasters

APRIL 2018

Immediate Mortgage Relief

- Options will depend on who owns or insures the mortgage loan
 - Fannie Mae or Freddie Mac policies
 - FHA, VA & Rural Housing Service
- Forbearance
 - Period of reduced or suspended payments
 - Initially 3 to 6 months
 - After forbearance, must bring loan current or enter into repayment plan or other option
- Moratorium
 - 90 day moratorium on foreclosure activity including foreclosure sales, and post foreclosure evictions

Other Options to Keep the Home

- Repayment plan – catch up on missed payments
- Loan modification – changes key terms of the mortgage
 - Reduce the interest rate
 - Extend the term
 - Forbear collection of a portion of principal
- Loan modification options depend on if borrower was delinquent prior to disaster

Foreclosure Alternatives

- Short sale – lender accepts proceeds of the sale of the home even if the proceeds will not cover the amount due on the mortgage
- Deed-in-lieu of foreclosure – lender accepts voluntary return of the property
- Sell the home



Reverse Mortgage Foreclosure

- Allows older adults to cash out the equity in their home without need for immediate repayment
- FHA-insured reverse mortgages
- Home Equity Conversion Mortgage (HECM)
- Loan due when the last surviving borrower dies or moves from home permanently, home is sold, or borrower fails to maintain the home or pay property charges



Amelia Báez and José González López in their home in Bayamón, P.R. Finance of America, which dominates the island's reverse mortgage market, has tried to foreclose on it three times. José Jiménez-Tirado for The New York Times

Obtaining Mortgage Relief

- Work with HUD-approved housing counselor to obtain relief
- Can the homeowner maintain homeownership?
 - Declining or fixed household income
 - Death or disability of a spouse
 - Need to maintain the home plus carrying costs
- Determine the best workout option and meet documentation requirements

State, Local & Private Assistance

- State disaster-related programs
 - Loan programs
 - Direct assistance/grants
- Private resources
- Programs targeted at elders
- Programs to assist homeowners



Homeowners Assistance Program

- Program Overview
- Policies
- Program Pipeline Reports
- Contact Us
- Small Rental Property Program

Building a safer, stronger, smarter Louisiana.

As of January 2018, The Road Home Program has assisted more than 130,000 Louisiana citizens affected by Hurricanes Katrina and Rita. The program has disbursed more than \$9 billion dollars to the residents of Louisiana. The program has had a tremendous impact on the largest rebuilding effort in American history.

We are pleased to announce that The Road Home Program has successfully completed all rebuilding initiatives and is now bringing the program to closure. We are proud to say that continued dedication and commitment has allowed Road Home applicants to rebuild safer, stronger, and smarter. Our mission is accomplished.

HEMAP FACT SHEET

Provided by the Pennsylvania Housing Finance Agency



This Fact Sheet contains important information about your legal rights and ways to save your home from foreclosure. The Homeowner's Emergency Mortgage Assistance Program (HEMAP) is a state-funded loan program that offers valuable protections for homeowners and could help you keep your home. This document describes HEMAP, explains the foreclosure process and describes actions your lender may take if you choose not to apply for HEMAP or if your application is not approved. If you have additional questions about HEMAP, contact the Pennsylvania Housing Finance Agency (PHFA) toll-free at 800-342-2397 or visit the HEMAP page on our website at www.PHFA.org/hemap.

If you are not eligible for HEMAP or choose not to apply, you may wish to contact your lender directly regarding other options that may be available to stop the foreclosure of your home. It is also possible to explore options with your lender while your HEMAP application is pending.



Additionally, you may wish to consult with an attorney who can explain your rights and discuss any possible defenses to the foreclosure action. The local bar association in your county may be able to provide information about the availability of free legal services for which you may qualify.

Resources

- [National Disaster Legal Aid Resource Center](#)
- FEMA:
 - [disasterassistance.gov](#)
 - 1-800-621-FEMA (3362)
- HUD-approved housing counseling agency [hud.gov](#)
- National Association of State Insurance Commissioners
[naic.org](#)



Federal Student Loans After a Disaster:
Your Guide to Temporary Relief with
Two Quick Calls

January 2018



Having trouble paying your student loans after a hurricane or other disaster? It is important to act quickly. A disaster-related forbearance is the fastest solution for staying current on federal student loans. You don't have to make payments during a forbearance, but it is a temporary solution and your loan balance will continue to increase.

What is a disaster-related forbearance?

- If your area has been declared a federal disaster, you may qualify for disaster forbearance for up to 90 days. Borrowers are eligible if they live or work in disaster areas designated by FEMA for individual assistance. For Hurricane Maria, these areas include all of Puerto Rico. Areas are listed at <https://www.fema.gov/disasters>.
- During that time, you do not have to make payments, though interest will still accumulate on your loans that you will have to pay later.
- After the initial 90 days, you may request additional forbearance time (30 days at a time for up to 1 year after the disaster) if you are still recovering.
- Some servicers automatically put loans into forbearance when borrowers in disaster areas miss payments, but don't count on this unless your servicer has specifically told you that your loans are in forbearance.

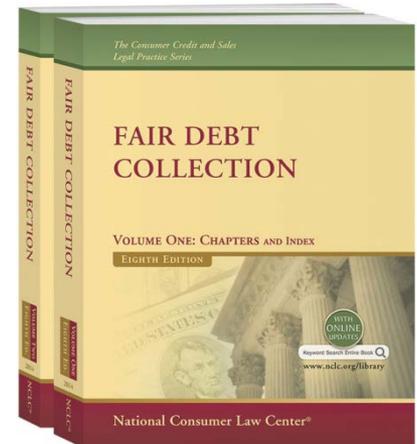
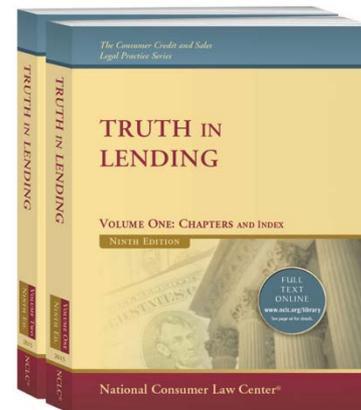
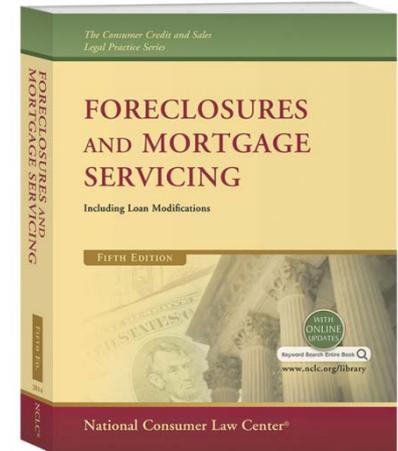
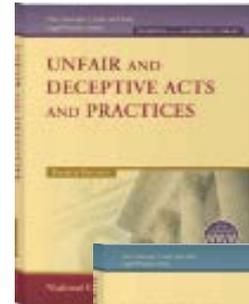
Two Easy Steps to Get Help

1. **Get your loan servicer's contact information.** Find this at www.nslds.ed.gov or call 1-800-4-FED-AID.
2. **Call your servicer and request a disaster forbearance for 90 days.** Make sure you specifically request a disaster-related administrative forbearance. This is different than general or economic hardship forbearances.
 - ✓ **If your forbearance ends and you need more time,** call your servicer again and request additional disaster-related forbearance time.

Already in default? You can contact the agency collecting on your loans and ask them to stop any wage garnishments, Social Security (or other benefit) offsets, or tax refund seizures for 90 days due to the disaster. To find contact information for the agency collecting on your loan, visit www.nslds.ed.gov or call 1-800-4-FED-AID.

Resources for Advocates

- Disaster-related policies
- Avoiding foreclosure
- Fannie Mae/Freddie Mac policies
- FHA, VA & RHS policies
- Dealing with scams and frauds



Case Consultations

Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at ConsultNCLER@acl.hhs.gov.