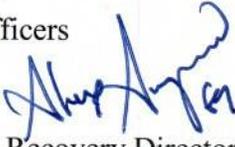




**FEMA**

September 27, 2013

MEMORANDUM FOR: Regional Administrators  
Federal Coordinating Officers

FROM: Deborah Ingram   
Assistant Administrator, Recovery Directorate

SUBJECT: Individuals and Households Program Replacement Assistance  
Guidance

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, and regulations authorize FEMA to make available financial assistance to replace an eligible applicant's primary residence when, as a result of a major disaster, the dwelling is not repairable. It has come to our attention that the Response and Recovery Directorate Policy 9443.9 dated December 10, 2002 has been misinterpreted in a manner that may result in FEMA providing too much deference to a local jurisdiction's determination that a dwelling is destroyed. This memorandum communicates revised guidance related to the circumstances and criteria for Replacement Assistance available through the Individuals and Households Program (IHP).

This guidance applies to all requests for Replacement Assistance not already approved by a Federal Coordinating Officer as of the date of this memorandum. It will continue in effect until it is superseded. All FEMA personnel involved in the administration of the IHP are directed to follow this guidance.

An owner, who applied for assistance for their primary residence, may be eligible for replacement assistance if:

- The eligibility criteria in 44 C.F.R. § 206.113 are satisfied;
- The dwelling is deemed destroyed by a FEMA inspector as a result of the disaster;
- The damage to the dwelling is not covered by insurance; and
- Replacement is necessary because the dwelling has been deemed unsafe due to the disaster-related damage sustained.

FEMA will consider the dwelling as being destroyed if:

- The initial FEMA inspection of the dwelling designated it as "destroyed". The determination of "destroyed" means the FEMA inspector noted the dwelling sustained damages such that all structural components of the dwelling are structurally compromised, i.e. foundation, floor, walls and roof.
- Upon appeal:
  - The applicant submits a condemnation notice from the local government authority in the disaster area that designates the dwelling as destroyed by the disaster; and

- A second FEMA inspection is issued that designates the dwelling as “destroyed” due to disaster-related damages. The purpose of the FEMA re-inspection is to take into consideration the condemnation notice and determine if there are any damages directly resulting from the disaster that were not previously identified or new information is presented supporting a change in damage determination, e.g. imminent danger of dwelling being destroyed due to land subsidence resulting from the disaster event.

FEMA will not automatically change the dwelling status from repairable to destroyed (i.e. replacement) based on a local jurisdiction’s condemnation determination, as the local jurisdiction’s determination may be based on non-disaster related circumstances. FEMA must independently determine the status of a dwelling based on its determination of what damages directly resulted from the disaster event.

Replacement Assistance is for costs applied towards the replacement of the dwelling or towards acquiring a new permanent residence. Assistance will not exceed the IHP statutory limit applicable during the fiscal year in which the President declared the event a disaster and will not be provided if the home is deemed repairable by the FEMA inspection or through the appeals process.

This memorandum and the attached processing guidance supersedes Response and Recovery Directorate Policy 9443.9 dated December 10, 2002, and all previous guidance on this subject, which includes 1) Revised Replacement Assistance Guidance (05/14/03), 2) Supplemental Guidance – Replacement Assistance (07/10/03), 3) Supplemental Guidance – Replacement Assistance Revised (08/13/03), and 4) Supplemental Guidance – Replacement Assistance (06/26/03).

If you have any questions, please contact John Carleton, Individuals and Households Branch Chief, at (202) 212-1162.

cc: Elizabeth A. Zimmerman, Deputy Associate Administrator, Office of Response and Recovery  
Jeffrey Dorko, Director, Office of Federal Disaster Coordination  
Mike Grimm, Director, Individual Assistance Division  
Adrian Sevier, Deputy Chief Counsel, Office of Chief Counsel  
Mary Ellen Martinet, Office of Chief Counsel  
Meddie Brown, Director, National Processing Service Center Division

Attachment: Processing Guidance for Awarding Replacement Assistance



FEMA

September 27, 2013

MEMORANDUM FOR: Meddie Brown  
Director  
National Processing Services Center Division

FROM: Mike Grimm   
Director  
Individual Assistance Division

SUBJECT: Processing Guidance for Awarding Replacement Assistance  
under the Individuals and Households Program

The purpose of this memorandum is to provide guidance for awarding replacement assistance under the Housing Assistance provision of Section 408(c)(3) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In response to local officials issuing condemnation notices for dwellings in their jurisdictions, FEMA is providing guidance on how condemnation notices will be considered when processing replacement assistance requests. The below guidance shall be used for all requests for Replacement Assistance not already approved by a Federal Coordinating Officer as of the date of this memorandum.

FEMA may provide repair or replacement assistance only for damages that are the direct result of a disaster. FEMA's determination of what directly results from a disaster is independent of any local government determination of habitability or condemnation.

Replacement assistance will be processed when an owner occupied, primary residence applicant whose residence has been determined destroyed based on the FEMA inspection services report and the applicant does not have insurance coverage for the cause of damage.

In addition, for owner occupied, primary residence applicants whose residence has been officially condemned by local officials, FEMA will process applications in the following manner:

- If the FEMA inspection report indicates the primary residence as "repair" and the FEMA Verified Loss (FVL) for real property is greater than the FEMA maximum grant amount (FY 13 - \$31,900), then the inspection report shall remain as "repair". The application will be processed for maximum grant assistance.
- If the FEMA inspection report indicates the primary residence as "repair" and the FVL for real property is less than the FEMA maximum grant amount, then FEMA shall issue a re-inspection of the property to reassess the damage. The purpose of the FEMA re-inspection is

to take into consideration the condemnation notice and determine if there are any damages directly resulting from the disaster that were not previously identified or new information is presented supporting a change in damage determination, e.g. imminent danger of dwelling being destroyed due to land subsidence resulting from the disaster event.

- Upon re-inspection, if the residence is determined by the FEMA inspector as having sustained disaster-related damages not noted in the original inspection such that all structural components of the dwelling are structurally compromised (foundation, floor, walls and roof) or the dwelling has been validated as being in imminent danger (as noted above), then the inspection report shall indicate “destroyed”. The application will be processed for “replacement” assistance.
- Upon re-inspection, if the real property damage exceeds the FEMA maximum grant amount but the property is not destroyed as a result of the disaster, then the inspection report shall remain as “repair”. The application can be processed for maximum grant assistance.
- Upon re-inspection, if the real property damage DOES NOT exceed the FEMA maximum grant amount, then the inspection report shall remain as “repair”. The application shall be processed for the repair assistance equal to the FVL for real property in addition to rental assistance.
- Upon re-inspection, if the residence has been razed, then the original inspection report identifying the FVL for real property shall be processed for the repair assistance equal to the FVL for real property as previously determined in addition to rental assistance.

Applicants awarded with replacement assistance shall be notified of their eligibility and informed that replacement assistance is for costs applied towards the replacement of the dwelling or towards acquiring a new permanent residence.

The Individual Assistance Division will continue to coordinate with Joint Field Office Staff and the National Processing Service Center Division in processing requests for replacement assistance.

If you have any questions, please contact John Carleton, Individuals and Households Branch Chief, at (202) 212-1162.

cc: Deborah Ingram, Assistant Administrator, Recovery Directorate  
Alex Amparo, Deputy Assistant Administrator, Recovery Directorate  
John Carleton, Branch Chief, Individuals and Households Program  
Brian Verburg, Virginia National Processing Service Center Branch Chief  
Jeffrey Dorko, Director, Office of Federal Disaster Coordination  
Munira Mack, Office of Chief Counsel