

Miles McGuriman – Constituent Services Representative for Senator Peter Welch

I cover Housing as well as FEMA related topics for the Senator and work on related casework for Vermonters.

The Federal delegation received three questions prior to this testimony. Two FEMA related questions and one housing related question. For the FEMA related questions, we felt it was best to have FEMA answer those and reached out for direct responses. If you have follow-up questions for FEMA we would be happy to relay those on your behalf.

**Could the state pay for eligible FEMA benefits for residents up front and get reimbursed from FEMA later on?**

***FEMA Response:** Individual Assistance funds are paid directly to the survivor for housing repair, personal property, and temporary housing, FEMA does not provide this assistance directly to vendors or third parties. FEMA funds also cannot duplicate assistance available from other sources such as insurance or other relief agencies.*

**Can you receive a buy out and move your home structure out of the flood plain instead of finding a new home?**

***FEMA Response:** FEMA does have an eligible project type under the Hazard Mitigation Assistance (HMA) programs called Acquisition - Demolition/ Relocation. This type of project has some significant complexities.*

*This HMA website has a list of the major programs. <https://www.fema.gov/grants/mitigation>*

*Also, for state specific questions you can reach out to the State Hazard Mitigation Officer Stephanie Smith, [Stephanie.A.Smith@vermont.gov](mailto:Stephanie.A.Smith@vermont.gov).*

- Just to clarify - The major flood related programs which make up Hazard Mitigation Assistance are:
  - [Hazard Mitigation Assistance Program \(HMGP\)](#)
  - [Building Resilient Infrastructure and Communities \(BRIC\)](#)
  - [Flood Mitigation Assistance \(FMA\)](#)

**Information on the 5% down program to help people purchase four-plexes?**

- Beginning November 20th 2023 Fannie Mae is now allowing 5% down payments on duplex, triplex, and four-plex's. This is a shift from the 15% previously required for duplex's and the 25% required for tri and four plex's.
- The goal is to expand access to credit and provide support for affordable rental housing.
- With rents and mortgage rates rising, many buyers are looking for creative and alternative ways to afford a home. This includes using rental income to offset the payment.
- This guideline update could help home buyers reduce their monthly cost of ownership. Many have resorted to renting out a room to accomplish this goal. Now they might be able to purchase an actual multifamily property instead.
- With this change Fannie Mae hopes to make it easier for people to purchase and owner-occupy multifamily housing

- To qualify, you must meet specific standards in your credit score, debt-to-income ratio and reserves
  - and you must adhere to the following GSE loan limits:
    - 2-unit: \$929,850
    - 3-unit: \$1,123,900
    - 4-unit: \$1,396,800

Whitepaper from Fannie Mae on the change: <https://singlefamily.fanniemae.com/media/37106/display>