

[FEMA and SBA 2024 Updates Overview](#)

On March 22, 2024 new rules regarding FEMA's Individuals and Households Program (IHP) went into effect. The new rules are intended to provide quicker access to needed funds, expanded eligibility for property and home repairs, and an easier application process for survivors to jumpstart their recovery from disasters.

In general, IHP is divided into two categories—Housing Assistance and Other Needs Assistance. Each of these categories is subject to maximum award amounts. (FY2024 \$42,500)

Housing Assistance has two parts. The first, **Financial Housing Assistance**, is for disaster affected homeowners to provide them funds for home repair or replacement, up to the maximum award amount. It also provides Lodging Expense Reimbursement (LER) and Rental Assistance to reimburse both homeowners and renters displaced from their primary residence by providing Lodging Expense Reimbursement and Rental Assistance.

The Lodging Expense Reimbursement and Rental Assistance part of Housing Assistance has no financial cap. It does have a time limit cap, 18 months beginning on the date the disaster is officially declared. This 18-month period can be extended in 6-month increments by FEMA.

If a homeowner or renter has insurance that includes Loss of Use or Additional Living Expenses, those funds may need to be expended prior to an insured disaster survivor being eligible for FEMA Financial Housing Assistance.

The second, **Direct Housing Assistance**, provides direct housing options for disaster-impacted households, and include: Multi-Family Lease and Repair, Direct Lease of properties, Transportable Temporary Housing Units; and, in insular areas where other forms of direct assistance are not available, not feasible or not cost-effective, there may be Permanent Housing Construction.

Other Needs Assistance is intended for Serious Needs, Displacement, Personal Property, Transportation, Funeral, Medical and Dental, Childcare, Moving and Storage, Group Flood Insurance Policy, Clean and Sanitize Assistance, and miscellaneous items.

There is no financial cap for home repair accessibility items or personal property accessibility items not covered by medical or other insurance for disaster survivors with Access and Functional Needs.

Financial Housing Assistance and Other Needs Assistance Maximum Awards are adjusted annually by the Consumer Price Index. For fiscal year beginning October 1, 2023 through September 30, 2024, the maximum financial award for Financial Housing Assistance is \$42,500.00. The maximum award amount for Other Needs Assistance is the same, \$42,500.00.

This means a primary homeowner needing home repair or replacement is eligible to receive up to the max grant of \$42,500.00, plus Other Needs Assistance up to the max grant of \$42,500 depending on their circumstances. Additionally, the homeowner could be eligible for Housing Assistance for 18 months from the date of the disaster (unless extended).

Renters are eligible to receive up to the max grant of \$42,500.00 Other Needs Assistance plus Housing Assistance for 18 months from the date of the disaster (unless extended).

Replacement of Critical Needs Assistance (CNA) with Serious Needs Assistance (SNA): Serious Needs Assistance will now be available in all disasters receiving Individual and Households Assistance to provide more immediate financial assistance for necessary expenses or serious needs. The maximum award for Serious Needs is \$750.00, to be adjusted annually according to the Consumer Price Index, and is to cover immediate expenses related to sheltering, evacuation and meeting basic household needs. This payment would be in addition to other eligible assistance that may be provided to survivors based on their unique circumstances within the Individuals and Households Program.

Because Serious Needs Assistance is intended to provide applicants the financial means to address immediate serious needs prior to FEMA's evaluation of their eligibility for other disaster assistance programs, FEMA will limit assistance to those applicants who are displaced from their pre-disaster primary residence as a result of the disaster or who are sheltering in their pre-disaster residence and report a need to shelter elsewhere.

Establishes Displacement Assistance: FEMA is creating a new benefit called Displacement Assistance designed for survivors who cannot return to their home following a disaster and provides them with greater flexibility in making the best decision for their immediate housing needs. Displacement Assistance will provide eligible survivors whose homes are uninhabitable with up-front funds to assist

with immediate housing options of their choice, such as costs associated with staying with family and friends, until they are able to secure a rental option to focus on their long-term recovery. FEMA expects Displacement Assistance will be a payment per recipient to cover 14 nights of lodging in most cases. FEMA will not require receipts documenting the use of this assistance.

Removes Loan Application Requirements: FEMA has removed the requirement that survivors apply for a U.S. Small Business Administration (SBA) loan before being considered for SBA-dependent ONA (which would cover housing repair/replacement, personal property, and transportation). Removing this requirement will ensure low income, retired seniors, and other vulnerable disaster survivors who may not have the means to obtain or repay a disaster loan due to their financial condition have equitable access to disaster assistance while also leveraging new ways to prevent duplication of benefits.

This change will also simplify the disaster assistance process, reduce the time it takes to receive ONA and give survivors the ability to apply for help from FEMA and SBA at the same time.

Helps Underinsured Survivors: Survivors who receive an insurance payment for damage to their home may be able eligible to receive assistance from FEMA, even if their insurance payment is more than the congressionally established maximums for Housing Assistance or Other Needs Assistance. Under the changes, financial assistance is now available up to the \$42,500 cap, to cover costs not reimbursed by insurance including deductibles and underinsured losses.

Other Needs Assistance and Simplifying Assistance for Entrepreneurs: FEMA is simplifying the process so entrepreneurs, gig workers and other self-employed individuals can more easily reopen their businesses after a disaster. FEMA may provide self-employed survivors with some initial financial support to replace disaster-damaged tools and equipment, or other items required for a specific trade or profession. This assistance remains subject to the \$42,500 maximum cap above which SBA disaster loans will continue to provide additional federal support.

Currently, self-employed individuals are eligible for all FEMA assistance for their personal losses, except for necessary expenses and serious needs related to business losses. The IFR changes this by removing “self-employment” from the list of conditions of ineligibility. FEMA is also adding a new definition at [44 CFR 206.111](#) of “essential tools” to mean tools and equipment required for employment and items required for education. The changes will allow FEMA to provide assistance for disaster-damaged tools and equipment, or other items required for a specific trade or profession, for self-employed applicants, in

their individual capacity.

Expanded Assistance for Computing Devices: Eligible survivors may receive financial assistance for one personal or family computing device that is damaged by a disaster. Applicants may receive financial assistance for additional damaged computing devices that are needed for educational purposes or as a condition of employment, to include self-employed individuals, with required documentation.

Expands Habitability Criteria: FEMA is simplifying its definition of “habitability”. The new definition will broaden eligibility to include repairs to homes with pre-existing conditions as long as the component was further damaged by the disaster. Previously, if a home had a leaky roof prior to a disaster, that area of the home would not qualify for FEMA supported repairs.

The March 22, 2024 changes expand eligible hazard mitigation measures beyond essential components of a residence to include the prevention of future damage to any disaster-damaged part of the residence. Finally, it confirms in regulation FEMA’s enhanced flexibility on documentation that will satisfy proof a residence is owner-occupied for those disaster survivors who do not hold a formal title or lease.

FEMA is revising the term “uninhabitable” to mean the dwelling is not safe or sanitary. FEMA has revised the term “safe” to mean secure from hazards or threats to occupants, and the term “sanitary” to mean free of health hazards to better support low income and other vulnerable disaster survivors who may not have the means to immediately address disaster damage.

Makes Accessibility Improvements: Survivors with disabilities can use FEMA funding to make certain accessibility improvements to homes damaged by a declared disaster. This change helps survivors with disabilities improve their living conditions by making their homes even more accessible than they were pre-disaster.

New [44 CFR 206.113\(a\)\(9\)](#) changes allow IHP to expand its existing policy, which provides for the installation of ADA related real property to applicants with disaster-caused needs, to include Home Repair Assistance for disaster survivors with pre-existing, pre-disaster needs for accessibility-related items, such as an exterior ramp, grab bars, etc., that make their home safe and functional when any level of disaster-caused real property damage occurs to the primary residence.

FEMA may provide assistance with respect to home repair for accessibility-related items, if an applicant

meets the following conditions: (i) the applicant is either an individual with a disability as defined in [42 U.S.C. 5122](#) whose disability existed prior to the disaster and whose primary residence was damaged by the disaster, or an individual with a disability as defined in [42 U.S.C. 5122](#) whose disability was caused by the disaster and whose primary residence was damaged by the disaster; (ii) the real property component is necessary to meet the accessibility-related need of the household; and (iii) the real property component is not covered by insurance or any other source.

FEMA will require a medical, health care, or rehabilitation professional to certify whether or not these adaptations are necessary; as they have the expertise to make that determination or we will accept prior medical, health care, or rehabilitation professional documentation that supports the need for the accessibility-related items.

Removes Barriers for Late Applicants: Recognizing the challenges already confronting disaster survivors, those requesting approval for a late application no longer must provide documentation supporting the reason for their late application. FEMA will only require that registrants explain the reason for the delay, including a verbal justification via Helpline.

Streamlines Temporary Housing Assistance Applications: FEMA has reduced documentation requirements for applicants seeking continued Temporary Housing Assistance and removed the comparison between pre-disaster and post-disaster income. Consideration of only the CTHA recipient's 30 percent of post-disaster housing income streamlines applicant documentation and more accurately measures applicants' post-disaster financial situation.

Simplifies the Process for Appeals: Survivors who wish to appeal FEMA's decisions on their eligibility will no longer need to provide a signed, written appeal letter to accompany the supporting documentation. This written explanation **may not** be necessary to substantiate an appeal claim **if** the supporting documents submitted (receipts, bills, repair estimates, contractor estimates, property titles, or deeds) provide sufficient justification. Applicants can still submit a signed letter explaining the reason(s) for an appeal or applicants could instead choose to provide verifiable documentation of their appeal. To further simplify the appeals process, an optional appeal request form will be provided with all FEMA decision letters.

SBA additions:

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the "Find Help" section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

Source: <https://uphelp.org/claim-guidance-publications/fema-and-sba-2024-updates-overview/> Date: April 2, 2025

- Extending deferment
- 20% of verified loss can be added to the loan for mitigation
- Removed flood insurance requirement if not in a flood zone
- Removed SBA from assignment of insurance proceeds