Navigating the Road to Housing Recovery

A step-by-step guide for individuals and families affected by Hurricane Sandy

Working Together for Strong Communities
Navigating the Road to Housing Recovery was developed jointly by NeighborWorks America and the FDIC. The purpose of the guide is to assist families in establishing stable and secure housing as they recover from devastating natural disasters.

NeighborWorks America
For 35 years, NeighborWorks America has created opportunities for people to improve their lives and strengthen their communities by providing access to homeownership and to safe and affordable rental housing. Created by Congress, NeighborWorks creates opportunities for lower-income people to live in affordable homes in safe, sustainable neighborhoods that are healthy places for families to grow. NeighborWorks delivers many of its community-focused programs and services through the national NeighborWorks network — more than 235 independent, community-based nonprofit organizations serving more than 4,500 communities nationwide. Together with its national and local partners, NeighborWorks provides grants, programmatic support, training and technical assistance, and in the last five years, has generated more than $19.5 billion in reinvestment in these communities. Additionally, NeighborWorks America is the nation's leading trainer of community development and affordable housing professionals.

Federal Deposit Insurance Corporation
Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, and promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. Included within the Corporation's mission is the responsibility for encouraging financial institutions to invest in their communities.

As an independent agency of the federal government, the FDIC receives no tax dollars — it is funded by premiums that banks and thrift institutions pay for deposit insurance coverage and from earnings on investments in U.S. Treasury securities. The FDIC currently insures more than $9 trillion of deposits in U.S. banks and thrifts.

The FDIC directly examines and supervises more than 4,500 banks and savings banks for operational safety and soundness, more than half of the institutions in the banking system. Banks can be chartered by the states or by the federal government. Banks chartered by states also have the choice of whether to join the Federal Reserve System. The FDIC is the primary federal regulator of banks that are chartered by the states that do not join the Federal Reserve System. In addition, the FDIC is the back-up supervisor for the remaining insured banks and thrift institutions.
Navigating the Road to Housing Recovery

A step-by-step guide for individuals and families affected by Hurricane Sandy

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and

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How To Use This Guide

*Navigating the Road to Housing Recovery* is a comprehensive guide to resources and steps to take for those affected by Hurricane Sandy. While the devastation caused by Sandy was large, so has been the disaster recovery response from individuals and organizations. Every day there are more helping hands.

The information in this guide will help you make sound decisions on your way to housing recovery.

There are three types of information in this guide:

- general disaster recovery information,
- guidance and resources for those with a clear housing recovery goal, and
- guidance and resources for those still deciding on their housing recovery goal.

Understanding that not every section of the guide will be helpful or relevant to everyone, we have developed a system to point you to those sections of the guide that best fit your situation.

The keys to this system are the maps in the first section (Route 1) of the guide. These maps are designed to help you determine your housing recovery goal — whether to rebuild or repair, rent, relocate, buy or sell. Choose the map that best reflects your housing goal. If your housing goal is unclear at this time, use the Road Map for Undecided. Note that each map contains one of the following symbols (square, triangle, rectangle, etc.) at the top.

- **Road Map for Rebuilding a Home** — This map is for the homeowner who needs to access all the assistance and resources needed to rebuild his or her house from the ground up.

- **Road Map for Repairing a Home** — This map is for the homeowner who needs to access all the assistance and resources needed to repair his or her house to its pre-hurricane condition or better.

- **Road Map for Relocating** — This map is for the homeowner who wants to relocate within the state he or she was living in prior to the hurricanes.

- **Road Map for Selling Your Home** — This map is for the homeowner who wants to sell the property owned in a hurricane affected area.

- **Road Map for Undecided** — This map is for those who have not yet decided which of the maps above might be the most suited to their ultimate destination.

- **Road Map for Buying a Home** — This map is for the renter or previous homeowner who wants to buy a home in the hurricane affected area.

- **Road Map for Renting a Home** — This map is for the renter or previous homeowner who is looking for rental property in the hurricane affected area.

The table of contents for Route 2 of the guide is coded with the map symbols so you can see the sections of the guide that are most relevant to the map you’ve selected. This will save you time in navigating to those sections of the guide that apply to your needs. Safe travels!
Introduction to
Navigating the Road to Housing Recovery

Help is on the way…

This guide will introduce you to both the assistance that is available now and the assistance that is planned for the future. It will introduce you to the service delivery network that will distribute aid and information in the coming months. Many of the agencies providing resources existed before Hurricane Sandy. Others have been newly formed to respond to the increased demands and urgent needs resulting from the devastation the hurricane left behind. As you journey toward housing recovery, you will notice that the Internet is critical for access to the most up-to-date information that you will need. Continue to check the Web for updates to this guide.

It’s never too early to chart your course…

Good information is the key to good decision-making. The purpose of *Navigating the Road to Housing Recovery* is to provide the individuals and families who were devastated by the storm with essential information needed to begin housing recovery. It is divided into four sections:

- **Route 1:** Mapping Your Road to Housing Recovery — decision maps to help you decide on a housing recovery goal
- **Route 2:** Introducing Your Roadside Assistance Crew — key disaster recovery resources and information
- **Route 3:** Making Informed Decisions and Steering Clear of Warning Signs — resources to keep you on track
- **Route 4:** Resource Guide for Finding the Assistance Crew Nearest You — New Jersey and New York resources

This guide will help you…

If you have already begun to repair or rebuild your home, or if you are planning to do so soon, *Navigating the Road to Housing Recovery* is written for you. If you were a renter when the storm hit and have been displaced from your home, you will find some resources in this guide, and as the recovery progresses, more will become available. If you owned a house that you were forced out of by the storm, but have not yet made a decision to repair or rebuild, the information in this guide can help you to make an informed decision.

There will be bumps along the road…

Hurricane Sandy forever changed the physical landscape of the communities it devastated and the way we think about hurricane risks. We now understand that far more of our country is vulnerable to the damage hurricanes cause than was previously believed. Much of the necessary groundwork to begin large- and small-scale rebuilding in the areas affected by Hurricane Sandy remains to be done, but it is not too early to begin your planning.

Remember — before starting out on any journey, you should decide on your destination, pick up a good map, find your most trusted travel companions, and mark the pit stops along the way. Successfully navigating the road to housing recovery works much the same way. So, pack up your bags and let’s hit the road!
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As you begin your journey along the road to housing recovery, it might be helpful to start with the end in mind. However, you may not have decided what “end” might be best for you and your family. So whether you have identified a destination or are still considering your options, we’ve provided a map that identifies the pit stops you should make along the way.

The following will be covered along Route 1:

- Road Map for Rebuilding a Home
- Road Map for Repairing a Home
- Road Map for Relocating
- Road Map for Selling Your Home
- Road Map for Undecided
- Road Map for Buying a Home
- Road Map for Renting a Home
Mapping Your Road to Housing Recovery

The keys to navigating through this guide are the seven maps in Route 1. Choose the map that best reflects your housing goal. If your housing goal is unclear at this time, use the Road Map for Undecided.

Each map contains a symbol (square, triangle, rectangle, etc.) at the top. The table of contents is coded with these symbols so you can see the sections of the guide that are most relevant to the map you’ve selected. This will save you time in navigating to those sections of the guide that apply to your needs.

Route 1 contains the following road maps for navigating your Road to Housing Recovery.

**Road Map for Rebuilding**
This map is for the homeowner who needs to learn about all the assistance and resources needed to rebuild his or her house from the ground up.

**Road Map for Repairing a Home**
This map is for the homeowner who needs to learn about all the assistance and resources needed to repair his or her house to its pre-hurricane condition or better.

**Road Map for Relocating**
This map is for the property owner who wants to relocate.

**Road Map for Selling Your Home**
This map is for the homeowner who wants to sell property owned in a hurricane-affected area.

**Road Map for Undecided**
This map is for those who have not yet decided which of the maps above might be the most suited to their ultimate destination.

**Road Map for Buying a Home**
This map is for the renter or previous homeowner who wants to buy a home in the hurricane-affected area.

**Road Map for Renting a Home**
This map is for the renter or previous homeowner who is looking to rental property in the hurricane-affected area.
ROAD MAP FOR REBUILDING

GET READY!
1. File Insurance Claims
2. Register for help from FEMA
3. Visit a Housing Counseling Agency
4. Apply for State Recovery Aid

Housing Goal: Rebuild Home

File Private Insurance Claims

State Recovery Aid?

Get State Recovery Aid

YES

Resolve Insurance Claims

NO

Detour
Resolve title issues

ROAD ALERT! Register with FEMA for rebuild aid.

Clear Title Now?

YES

State Recovery Aid?

NO

Detour
Resolve title issues

ROAD ALERT! The percentage of damage may affect your repair/rebuild decision.

BUILDING PERMITS & CODE INSPECTION

Obtain Financing (if needed)

See a Housing Counseling Agency

Finalize Rebuilding Plans

Complete Building Project

Hire Contractor(s)
Check Web Registries for Service Providers

ROAD ALERT! Check owner occupancy requirements.

Obtain Flood and Homeowners Insurance

ROAD ALERT! Be aware of environmental issues.
ROAD MAP FOR RELOCATING

(Renters: See road map for renting)

GET READY!
1. File Insurance Claims
2. Register for help from FEMA
3. Visit a Housing Counseling Agency
4. Apply for State Recovery Aid

Housing Goal: Sell Property
Refer to “Road Map for Selling Your Home” p. 7

Moving?

Housing Goal: Rent Out Property

Property Need Repairs?

ROAD ALERT! Check owner occupancy requirements of state aid programs.

ROAD ALERT! State assistance may be reduced if you move out of state.

Talk to a REALTOR® about selling your property. See the Buy or Rent map for securing housing in new location.

Does Your State Have a Buy-Out Program?

YES
Accept State Buy-Out Plan. See the Buy or Rent map for securing housing in new location.

NO

Rent Out Property

Need Landlord Training?

STOP

Obtain Landlord Insurance

See a Housing Counseling Agency about Training for Landlords

Make Repairs

STOP

Obtain Landlord Insurance

See a Housing Counseling Agency about Help with your Rehab Project and Accessing Affordable Financing to Cover the Repair Costs

STOP

Obtain Landlord Insurance

STOP

Obtain Landlord Insurance

Navigating the Road to Housing Recovery
ROAD MAP FOR SELLING YOUR HOME

GET READY!
1. File Insurance Claims
2. Register for help from FEMA
3. Visit a Housing Counseling Agency
4. Apply for State Recovery Aid

Housing Goal: Sell Your Home

State Recovery Aid?

! ROAD ALERT! Don’t abandon your home! It may have value.

! ROAD ALERT! Beware of cash offers for a quick sale! Your home may be worth more.

Sell Privately

Contact a REALTOR® for Help with Selling Your Home

Accept State Buy-Out or Relocate Option and/or Assign Aid to Private Buyer

FOR SALE

SOLD

Navigating the Road to Housing Recovery
ROAD MAP FOR UNDECIDED

If you are still deciding which housing road to take, this map is for you.

To get help in thinking about your options, visit your local Housing Counseling Agency. The first page of each State section of the Resource Guide says how to find one near you. Learn about aid programs, potential roadblocks, and how to deal with things like title problems or credit repair.

See the other road maps to learn the steps involved in different routes to housing recovery.

GET READY!
1. File Insurance Claims
2. Register for help from FEMA
3. Visit a Housing Counseling Agency
4. Apply for State Recovery Aid

Housing Goal: Undecided?

As applicable:
- Register with FEMA
- Contact lender
- File insurance claims
- Apply for State Aid
- Contact a REALTOR®

Roadblocks:
- Lack of Rentals
- City Rebuilding Plans
- Flood Insurance
- Homeowners Insurance
- Financing

Options
- Rent
- Buy
- Repair or Rebuild Home
- Relocate
- Sell
- Rent Out Home

Contact local Housing Counseling Agency

See Route 4 to locate a Housing Counseling Agency near you!
ROAD MAP FOR BUYING A HOME

GET READY!
1. File Insurance Claims
2. Register for help from FEMA
3. Visit a Housing Counseling Agency
4. Apply for State Recovery Aid

Owner

Resolve Title Issues
Detour

Clear Title?

NO

YES

Does Your State Have a Buy-Out or Relocate Program?

NO

Contact a Realtor®

YES

Accept State Buy-Out or Relocate Plan

FOR SALE

Sell Property

Ready for Homeownership?

NO

Homebuyer Education

ROAD ALERT! Get tips from a Housing Counseling Agency.

FOR SALE

BUY YOUR NEW HOME!

Housing Search

Purchase Agreement

Mortgage Financing

Obtain Homeowners and Flood Insurance

Ready for Homeownership?
**ROAD MAP FOR RENTING A HOME**

**GET READY!**
1. File Insurance Claims
2. Register for help from FEMA
3. Visit a Housing Counseling Agency
4. Apply for State Recovery Aid

---

**Housing Goal:** Rent a Home

- **Out of State?**
  - State Aid Not Available
  - **State Aid May Be Available**

- **In-State?**
  - **Need Financial Fitness?**
    - **YES**
    - **NO**

**Contact a Housing Counseling Agency for Help with Budgeting, Debt Reduction, or Credit Counseling.**

---

**Need Rental Assistance?**

- **YES**
  - State Recovery Aid?
    - **YES**
      - Lease Apartment
    - **NO**
      - Lease Apartment

- **NO**
  - Apply for Assistance

---

**ROAD ALERT!** Check out state rental assistance programs—affordable rentals may be available.
Introducing Your Roadside Assistance Crew

Now that you’ve charted your course by selecting a map, you’ll need to identify your most trusted travel companions. In this section of the guide, we will identify a few of the major helpers you will meet as you make your stops along the road. Some of the names will be familiar, while others may not — but there are lots of folks out there who would like to help you get your life back to normal. So come along and get connected to your Roadside Assistance Crew!

The following will be covered along Route 2:

- FEMA: “What’s in It for You?”
- State Programs: “Understanding My State’s Recovery Assistance Resources”
- The Insurance Industry: “Securing the Rebuild”
- The Financial Community: “Bridging the Gap Through Financial Tools and Products”
- Housing and Other Providers: “Meeting the Rest of the Team”
FEMA: “What’s In It for You?”

FEMA is the Federal Emergency Management Agency. It was created specifically to provide financial and other recovery assistance when disaster strikes. One of the very first stops along the road to housing recovery should be to check out the assistance that may be available through this government agency. This section of the guide provides basic information about FEMA assistance that may be available to you. Visit the FEMA website, www.fema.gov/sandy for additional information and helpful links to disaster recovery resources.

Recognizing that government alone cannot adequately respond to all of the challenges posed by a catastrophic event, FEMA employs a whole community approach to emergency management. Whole community leverages other federal resources, state, local and tribal partners, as well as nonprofit and faith-based groups, to serve disaster survivors.

FEMA directly assists individuals and families who lived in a county designated by the President as a disaster area and whose property losses are not fully covered by insurance. This is not to say that FEMA will do nothing for you if you had insurance. Later on, we will discuss how FEMA may help you even if you had some insurance coverage. But disaster assistance is not meant to supplement insurance coverage. The program is intended to assist you in meeting post-disaster expenses that cannot be covered by any other means. The maximum award under the Individuals and Households Program (IHP) is $31,900.

There are deadlines for registering with FEMA. Visit the website for registration deadline dates. If you have already registered with FEMA or applied for FEMA assistance and received funding, feel free to bypass this pit stop and take the fast lane to the next section “State Programs” on page 24.

What Does FEMA Offer?

Housing Needs Assistance

FEMA may provide you with one or more of the following forms of financial assistance for housing:

• **Temporary Housing:** Financial assistance is available to rent a different place to live, or to obtain a government-provided housing unit (such as a trailer).

• **Repair:** Financial assistance is available to homeowners to repair uninsured damages from the disaster to their primary residence. The goal is to make the damaged home safe, sanitary, and functional.

• **Replacement:** Financial assistance is available to homeowners to replace their home destroyed in the disaster. The goal is to help homeowners with the cost of replacing their destroyed homes.

• **Permanent Housing Construction:** Sometimes FEMA will fund construction of a new home. This type of help is available only in certain remote locations specified by FEMA, where no other type of housing assistance is possible.
**Other Needs**

In addition to the housing-related assistance, FEMA makes money available for necessary expenses and serious needs caused by the disaster. This includes everything on the following list:

- Disaster-related medical and dental costs
- Disaster-related funeral and burial costs
- Clothing; household items (room furnishings, appliances); tools required for your job (specialized or protective clothing and equipment); necessary educational materials (computers, school books, supplies)
- Fuels for primary heat source (heating oil, gas)
- Clean-up items (wet/dry vacuum, dehumidifier)
- Assistance with transportation, disaster-damaged vehicles
- Moving and storage expenses related to the disaster (moving and storing property to avoid additional disaster damage while disaster-related repairs are being made to the home)
- Other necessary expenses or serious needs as determined by FEMA
- Other expenses that are authorized by law

**Am I Eligible for FEMA Assistance?**

Before you apply for these FEMA programs, you should check to make sure that you meet the following requirements:

**Eligibility for Housing Needs Assistance**

The FEMA Housing Portal (http://asd.fema.gov/inter/hportal/home.htm) helps individuals and families who have been displaced by a disaster identify a place to live.

FEMA requires that you meet all of the following criteria in order to be eligible for Housing Needs Assistance:

- You have losses in an area that has been declared a disaster area by the President.
- You have filed for insurance benefits and the damage to your property is not covered by your insurance, or your insurance settlement is insufficient to meet your losses.
- You or someone who lives with you is a citizen of the United States, a non-citizen national, or a qualified alien.
• You have a valid Social Security number.

• The home in the disaster area is where you usually live and where you were living at the time of the disaster.

• You are not able to live in your home now; you cannot get to your home due to the disaster; or your home requires repairs because of damage from the disaster.

You may not be eligible for Housing Needs Assistance if:

• You have other rent-free housing that is adequate for your needs and that you can use (for example, rental property you own that is not occupied).

• Your damaged home is your secondary or vacation residence.

• Your expenses resulted only from leaving your home as a precaution, and you were able to return to your home immediately after the incident.

• You have refused assistance from your insurance provider(s).

• Your only losses are business related (including self-employment losses and farm business losses — other than the farmhouse) or items not covered by this program.

• The damaged home where you live is located in a designated flood hazard area and your community is not participating in the National Flood Insurance Program. In this case, the flood damage to your home would not be covered. However, you may qualify for rental assistance for items not covered by flood insurance, such as water wells, septic systems, etc. (For more details, see www.fema.gov/do-I-qualify-assistance.)

Eligibility for Assistance with Other Needs

To receive money for other needs that are the result of a disaster — but are not related to housing — all the following must be true:

• You have losses in an area that has been declared a disaster area by the President.

• You filed for insurance benefits, but the damage to your property is not covered by your insurance or your insurance settlement is not adequate to cover your losses.

• You or someone who lives with you is a citizen of the United States, a non-citizen national, or a qualified alien.

• You have necessary expenses or serious needs because of the disaster.

• You have accepted assistance from all other sources for which you are eligible, such as insurance proceeds or Small Business Administration disaster loans.
Disaster Assistance for Those With Insurance

There are some circumstances where you may be able to receive help from FEMA even if you do have insurance coverage. However, it is essential that you have already contacted your insurance agent and filed a claim. If you have not done this already, you will need to do it as soon as possible. Failing to file an insurance claim will make you unable to register for FEMA assistance.

Assuming that you have already filed a claim with your insurance company, let’s look at some of the situations where FEMA may still be able to provide you with assistance:

- **Your insurance settlement is delayed.** In technical terms, “delayed” means a decision on your insurance settlement has taken longer than 30 days from the time you filed the claim. If this is what has happened to you, write a letter to FEMA at: Federal Emergency Management Agency, PO Box 10055, Hyattsville, MD 20782 or by fax, to 1-800-827-8112; explaining the circumstances. In your letter, include documentation from the insurance company proving that you filed the claim. If you filed your claim over the telephone, you should include the claim number, the date when you applied, and the estimated length of time it will take for you to receive your settlement. Remember, though, that any help awarded to you by FEMA would be considered an advance — it must be repaid to FEMA once you receive your insurance settlement.

- **Your insurance settlement is insufficient to meet your disaster-related needs.** If you have received the maximum settlement from your insurance and still have an unmet disaster-related need, write a letter to FEMA explaining that unmet disaster-related need. Include related paperwork from your insurance company for FEMA’s review.

- **You have exhausted the Additional Living Expenses (ALE) provided by your insurance company.** If you have received the maximum settlement from your insurance for Additional Living Expenses (ALE) and still need help with your disaster-related temporary housing need, write a letter to FEMA explaining why you still need help. You will also need to provide documentation to prove you had and used ALE assistance from your insurance company, and include a plan for future permanent housing.

- **You are unable to locate rental resources in your area.** The FEMA Helpline has a list of rental resources in the disaster area. If no resources are available in your county, the Helpline agent will try to provide you with resources in an adjacent county. Call the Helpline at (800) 621-FEMA (or 3362). For TTY service, call (800) 462-7585.
Applying for FEMA Assistance

The FEMA website (www.fema.gov/apply-assistance) has an easy, three-step approach for answering your questions about the application process:

1. Before You Apply
   - What is disaster assistance?
   - What items are covered by disaster assistance?
   - What are my rights?
   - Do I qualify for assistance?
   - How can I locate a Disaster Recovery Center?
   - What information do I need to apply? (See below)

2. Ways To Apply
   - Apply by phone:
     - Call 800-621-FEMA (3362).
     - Call TTY 800-462-7585 for people with speech or hearing disabilities.
   - Apply online at http://www.DisasterAssistance.gov
   - Apply by smartphone at m.fema.gov

3. After You Apply
   - Check the status of your application.
   - I’m registered with FEMA. What do I do next?
   - My address or phone number has changed. How do I alert FEMA?
   - I was denied assistance. Is there an appeal process?
   - How can FEMA help me manage my long term needs?
   - I received FEMA assistance. What do I need to know?

You can follow this process via the Web or by phone. On the Web, go to www.fema.gov/apply-assistance. By phone, contact FEMA Disaster Assistance at 800-621-FEMA (3362) or for TTY services, 800-462-7585.
When you contact FEMA, you will need to have the following information:

- Five digit Zip Code
- Current contact telephone number
- Social Security number
- Current mailing address and address of damaged property
- Date the damage occurred
- Directions to the property
- Brief description of damaged property
- Insurance information and policy number(s)
- Gross family income
- A bank routing number (So FEMA can deposit funds directly to your bank account.)

**Disaster Recovery Centers**

FEMA Disaster Recovery Centers are accessible facilities or mobile offices where applicants can go for information about FEMA or disaster assistance. Specific services may include:

- Clarification of FEMA correspondence
- Housing assistance and rental resource information
- Status information on FEMA claims and applications
- SBA program information
- General guidance regarding disaster recovery

New Jersey and New York have numerous Disaster Recovery Centers located throughout the affected areas. Search for one near you at [www.fema.gov/disaster-recovery-centers](http://www.fema.gov/disaster-recovery-centers) or by texting “DRC” and your zip code to 43362 or 4FEMA (standard rates apply).
Additional Sources of Help

**Legal Services**

FEMA has teamed up with the Young Lawyers Division of the American Bar Association to provide free legal assistance to low-income disaster victims. Information about this assistance can be found at [www.americanbar.org/groups/young_lawyers/disaster_legal_services.html](http://www.americanbar.org/groups/young_lawyers/disaster_legal_services.html). Toll free hotlines are available as well: New Jersey, 888-541-1900; New York, 800-699-5636. In addition, a list of local free or reduced-fee legal services providers can be found in the state Resource Guides at Route 4.

Legal services typically include assistance with:

- Bankruptcy
- Consumer protection matters
- Insurance claims (life, medical, property, etc.)
- Landlord/tenant problems
- Home repair contracts and contractors
- Replacement of wills and other important legal documents destroyed in the disaster

**Small Business Administration**

The Small Business Administration (SBA) can assist you with loans to fund your disaster recovery, whether or not you had a business. FEMA funds were not intended to pay for all the costs of repairing your damaged home or for replacing your personal property. SBA loans are available to cover the amount of your repair and replacement costs not covered by FEMA funds, insurance and other recoveries. There are three types of disaster loans that can be made to qualified homeowners and businesses:

- **Home disaster loans** to homeowners and renters to repair or replace disaster-related damages to home or personal property.
- **Business physical disaster loans** to business owners to repair or replace disaster-damaged property, including inventory and supplies.
- **Economic injury disaster loans**, which provide money to small businesses and small agricultural cooperatives to assist them through the disaster recovery period.

More information on SBA loans and how you can apply can be found at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance), by calling the SBA at **800-659-2955** or via e-mail at disastercustomerservice@sba.gov.

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**Don’t Believe the Grapevine**

During disaster recovery, rumors about eligibility, benefits and other matters can be wide-spread. Visit [www.fema.gov](http://www.fema.gov) or call one of the various hotlines provided in this guide before believing what you hear.
Flood Insurance Requirements

When property owners receive financial assistance from the Federal Government following a disaster declaration, they may be required to purchase flood insurance coverage. Renters also need to carry flood insurance to protect against losses resulting from floods.

Flood Zones and Flood Maps

Flood zones are areas identified by FEMA for use in the National Flood Insurance Program (NFIP). These zones indicate how likely an area is to flood. If you live in one of the areas most likely to flood — the A and V zones — you will be required to purchase flood insurance for your home. In addition, the maps provide information about your home’s “Base Flood Elevation.” This measure determines whether or not you may need to elevate your home.

The official flood zone maps can be found on the FEMA website. If you would like to speak to a local expert to examine the maps, contact your local planning, engineering, or public works department.

Reading a Flood Map

The codes on the map can tell you whether an area is likely to flood and how high a home in that area should be elevated to avoid flood damage. A and V zones are both below “Base Flood Elevation” and are likely enough to flood that flood insurance is required. The letters are followed by numbers that show just how likely the area is to flood. The higher the number following the A or V the more likely a property is to flood. (It is better to be in A1 than A30.) B, C, and X zones are considered unlikely to flood because of their elevation, drainage, or levee protection. If you live in a B, C or X zone, you are not required to carry flood insurance, but remember that while you are not required to carry flood insurance on properties located in these zones, any losses you incur that result from a flood can be covered only through the NFIP.

What the Flood Maps Mean to You

The flood zones can guide your rebuilding. They may determine whether you can rebuild, whether you can get certain kinds of assistance, and whether you will need to elevate your home. Following a disaster, FEMA may revise flood maps. Be sure to reference the most recent flood map and insurance requirements before taking steps to rebuild or repair your home. For more information, visit http://rfcd.pima.gov/dfirm/pdfs/femafaq.pdf.
**Damaged Structures At or Above Flood Elevation:**

If your home is at or above the required flood elevation based on a flood zone map or a certified elevation survey, you can immediately begin to repair or rebuild, regardless of how much damage your home received. Low-interest SBA loans are available from FEMA based on the actual cost of repairing or rebuilding a flood-damaged home and personal property, minus any insurance reimbursement.

Current loan limits are:

- **Homeowners** — Up to $200,000 to repair or rebuild a primary residence to its condition before the disaster.
- **Homeowners and renters** — Up to $40,000 to repair or replace personal property, such as clothing, furniture, and automobiles.

**Damaged Structures Below Flood Elevation:**

If your home flooded and you are not at the required flood elevation based on flood zone or a certified elevation survey, your home could fall into one of two categories:

- **Minor damage** — If the structure sustained flooding, but was not substantially damaged, repairs can be made simply by getting the necessary permits over the counter or online. You will **not** need a new elevation certificate.
- **Substantially damaged** — If the structure was substantially damaged (50% or more of the replacement value prior to the flood event), you will be required to elevate the building to the current flood elevation. This is for your own safety. If you carry flood insurance, contact your insurance carrier for information on deductibles and limits.

**Do I Need to Elevate My Home?**

If a flood damages your property, you may be required by law to bring your home up to community and/or state floodplain management standards. If you have NFIP insurance, and your home has been declared substantially damaged by your community, Increased Cost of Compliance (ICC) coverage is provided to cover up to $30,000 of the cost to elevate, flood proof, demolish, or relocate your property. ICC coverage is in addition to the coverage you receive to repair flood damages; however, the total payout on a policy may not exceed $250,000 for residential buildings and $500,000 for non-residential buildings.


State assistance programs may also be available; see your state’s Resource Guide in Route 4.
Building Codes: “Don’t Fight City Hall!”

Building permits are generally issued by the local Building or Planning Department. The permits are based on building codes for your area. Building codes are laws and ordinances detailing minimum safety standards that are required both for your personal safety and for others. Building codes vary from one jurisdiction to another, so you will need to check with your local office to find out the exact procedure for obtaining a building permit.

Obtaining a Building Permit:

Permit requirements are based on where your property is located and what damage was caused by the storm. In order to get a building permit to start repairing or rebuilding your home, you will probably need the following three documents:

- **Elevation Certificate** — Obtained as part of your flood insurance documents or mortgage documents. If you have not received it, you will need to check with a licensed land surveyor. This certificate will help you determine if your current slab elevation meets the Base Flood Elevation for your particular flood zone.

- **Cost of Repair Estimates** — No guessing here. The repair estimate should be obtained from a licensed general contractor, professional construction estimator, or insurance adjuster.

- **Fair Market Value** — Acceptable estimates of your home’s market value include a recent appraisal (value of land not included), a copy of your homeowners or flood insurance policy stating the value of the structure, a tax bill, or a comparative market analysis prepared by a licensed real estate broker.

Frequently Asked Questions About Damage and Building Codes

Q. **Suppose I don’t agree with the official damage assessment of my home. What can I do?**

A. You may dispute the assessment by visiting your local permit office to request a re-evaluation of your property. To quickly complete the assessment, bring with you: the estimated market value of your house prior to the storm, a detailed description of all damage, and photos that show the specific areas of contention.
Q. **How will officials decide if a building should be demolished?**

A. Inspectors will evaluate how structurally sound a property is. They will recommend demolition if: damage affected more than 50 percent of the structure, or estimated repairs would cost more than 50 percent of the property’s pre-hurricane value.

Q. **Do I need to wait for an inspection before I start cleaning and gutting my property?**

A. No.

Q. **How do I determine my Base Flood Elevation (BFE), and where do I get an Elevation Survey?**

A. The Base Flood Elevation is determined by an elevation survey, which can be acquired by having a licensed surveyor do a certified elevation survey of your property.

Q. **I want to repair my home even if the government thinks I should demolish it. What can I do?**

A. You will need to obtain the right building permits, and all repairs must follow current building standards to make sure the building is structurally safe. You should take pictures of every step of work during reconstruction.

**Slow Down and Catch Your Breath!**

You’ve just navigated through the most technical information in the guide book, you came out just fine, and there are clear skies ahead. Your journey is a long one from here, but you’ve got good weather and the wind at your back. Congratulations!
Now that you’ve charted your course by selecting a map and checking in at the FEMA pit stop, it’s time to find out how your state might help make your journey a successful one. Both New Jersey and New York have a broad range of comprehensive disaster recovery resources for topping your tank. There are far too many resources to list in this guide, but in this section, we will provide key New Jersey and New York “one-stop” sources for disaster recovery. In Route 4, the State Resource Guides list specific local service providers.

NEW JERSEY

2-1-1

The abbreviated dialing code for free access to health and human services information and referral in New Jersey is 2-1-1. This easy-to-remember and universally recognizable number makes a critical connection between individuals and families seeking services or volunteer opportunities, and the appropriate community-based organizations and government agencies. Up-to-date notifications on recovery resources and government, nonprofit, faith-based, and private providers can also be found on the Web at www.nj211.org. This website is a vital source of information for people and businesses needing assistance in New Jersey. In addition, the NJ 2-1-1 website provides a comprehensive guide to federal, state and local disaster recovery resources.

New Jersey Counties Eligible for FEMA Individual Assistance

All 21 counties in New Jersey are eligible for Individual Assistance.
New Jersey Emergency Management

The New Jersey Emergency Management Agency, www.state.nj.us/njoem, provides up-to-date information on the activities of the New Jersey emergency center. Make this one of your first stops for current information on how New Jersey is responding to the damage left by Hurricane Sandy.

The Housing Resource Center

Search for available rental housing on the New Jersey Housing Resource Center (NJHRC) website, www.njhrc.gov, which hosts information on available affordable rental properties statewide. Users are able to find units and also post available units on this site, which is updated daily. Landlords throughout New Jersey are opening their available properties to Hurricane Sandy victims, and many of these units are now listed on the NJHRC website.

NEW YORK

2-1-1

The abbreviated dialing code for free access to health and human services information and referral in New York is 2-1-1. This is an easy-to-remember and universally recognizable number that makes a critical connection between individuals and families seeking services or volunteer opportunities, and the appropriate community-based organizations and government agencies. Up-to-date notifications on recovery resources and government, nonprofit, faith-based, and private providers can also be found at the following websites listed by region. These are comprehensive sources of information for people and businesses needing assistance in NY.

_Hudson Valley 211_: Serving Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester counties, www.hudson211.org/cms

_Long Island 211_: Serving Nassau and Suffolk Counties, https://211longisland.communityos.org/cms

1-855-NYS-SANDY

New York Governor Andrew M. Cuomo announced a new hotline to help residents and businesses apply for financial help after the storm. The telephone number is 1-855-NYS-SANDY (697-7263).
New York Counties Eligible for FEMA Individual Assistance

The following counties were declared eligible through FEMA for Individual Assistance: Kings, Nassau, Ulster, Sullivan, Queens, New York, Richmond, Suffolk, Westchester, Orange, Putnam, Bronx and Rockland.

New York Emergency Management

The New York State Division of Homeland Security and Emergency Services provides FEMA and state Hurricane Sandy Hotline Contacts and numbers at www.dhses.ny.gov/oem/event/sandy/contact.cfm. Make this one of your first stops for current information on how New York is responding to the damage left by Hurricane Sandy.

NYC.gov/NYC Restore

For New York City residents, www.NYC.gov provides detailed information on recovery programs and services including clean-up, emergency housing/shelter, housing repair, health and environmental concerns, and social services. NYC Restore, is a comprehensive effort to connect residents and businesses impacted by Hurricane Sandy with financial, health, environmental, nutritional and residential services, as well as FEMA reimbursement processing. The initiative consists of seven NYC Restoration Centers located in the communities that were hit the hardest, to provide long-term assistance to New Yorkers. More information and Restoration Center locations can be found at www.nyc.gov/html/misc/html/2012/dasc.html.

Pit Stop Ahead!

You’ll fill up on information about Insurance at the next pit stop, so slow down as you make the turn!
By now you should be well on your way down the road to housing recovery. You’ve picked up your map and started the process of identifying your Roadside Assistance Crew. You’ve made a pit stop at the FEMA section and you’ve now arrived at the Insurance Industry Pit Stop. We’ll reduce the speed here and focus on all the details since insurance is at the top of the list for ensuring a successful journey.

Insurance is the purchase of protection in case of loss — some might say it is the purchase of “peace of mind.” But, however you express the need for it, insurance is a necessity. It provides you with financial protection for your health, home, and automobile, among other things. Having the correct type and amount of insurance can help you replace lost possessions when you experience events like theft, fire, storms or other natural disasters. Unfortunately, if you’re like many of us, you may not find out how your insurance policies work until you have to file a claim. By then it can be too late, especially if the coverage isn’t what you expected.

At this stop on the Road to Housing Recovery we’ll explore the ins and outs of insurance and the types of protection available.

• **Confused by the Fine Print? The Nuts & Bolts of Insurance**
  In this section, you’ll gain a basic understanding of what the typical policy covers. We will help you understand the features of various types of homeowner and flood insurance programs. We’ll also point out the options you may have for additional protection.

• **Need Help Now? Navigating the Claims Process**
  We’ll walk you through the claims process. We’ll also discuss the various types of covered damages and give you tips on how to make filing and settling claims faster and easier.

• **When Things Go Right: Settling Damage Claims and Moving Ahead with Repairs**
  Your insurance company has offered a settlement. How can you negotiate if you don’t think the settlement is enough? How do you move ahead with repairs to your home? We address these and more issues here.

• **When Things Go Wrong: What to do When You Have a Complaint or Can’t Get an Answer?**
  Even if you’ve carefully prepared and submitted your claim, many things can still go wrong during the claims process. We’ll outline the typical obstacles you might confront along the way and offer some resolutions to common problems. When all else fails, we’ll point you to local authorities who can help you resolve a conflict with insurance providers.

• **Just Beginning Your Search? Acquiring Insurance**
  You may not know what to look for and whom to turn to for advice. In this section we’ll offer tips on finding the right coverage so you’re not wasting time. We’ll also let you know how you can save money while you shop and compare.
Confused by the Fine Print? The Nuts & Bolts of Insurance

Let’s begin with some basic information about how insurance policies work. Then you will have a better idea of what to look for when you review your current policy or begin to shop for new insurance. (Insurance has a language all its own; you may find it helpful to see the “Definitions of Insurance Terms” later in this section on page 59.)

**Types of Insurance**

Although there are many types of insurance available, our main focus in this section is on homeowner, renter, and flood insurance programs, including coverage for owners of condominiums and manufactured housing. We’ll also touch briefly on related policies such as automobile, boat and watercraft coverage, home rental and dwelling insurance, law and ordinance coverage, and supplemental insurance you might want to consider.

**Homeowners Insurance**

Homeowners insurance protects your home and its contents from accidents and disasters. It is known as a “package policy” because it usually provides two or more types of protection. For instance, it covers physical damage to your home and also protects you from liability or legal responsibility for damage or injuries that you or your family members and pets may cause to others.

Most homeowners policies also cover some living expenses you would incur if you are unable to occupy the property for a period of time. Your policy probably also includes some limited medical-payments coverage.

Let’s examine the most common types of coverage that are included in your policy:

- Home and Property Damage
- Personal Liability
- Additional Living Expenses
- Medical Payments

**Home and Property Damage**

This portion of your insurance pays to replace or rebuild your home and any other structures on your property — such as a detached garage. It also provides the funds to replace your personal property — such as furniture and clothing.
The amount of insurance you carry on your home and personal property should be based on a sound assessment of your needs in the event of a loss. You should have enough coverage to rebuild your home and replace all of your possessions at today’s costs.

In some cases your lender or condo association may require a minimum amount of coverage tied to mortgage amounts or other guidelines. Remember that standard personal property payout benefits may also be limited to between 50% and 70% of the dwelling coverage amounts.

Make a commitment to review the value of your home and possessions on an annual basis and make any necessary adjustments to benefit limits. You can also purchase additional types of coverage that pick up where standard policies end.

**Personal Liability**

Liability coverage protects you against lawsuits for damages caused by you, your family members, and/or your pets. It pays for the cost of defending you in court as well as the cost of any settlement action or finding of liability.

Most standard policies include coverage of approximately $100,000 for personal liability. Higher amounts are available, and today most experts recommend coverage amounts of between $300,000 and $500,000.

**Additional Living Expenses (ALE)**

If you cannot occupy your home after a disaster, you will want to make sure your policy includes benefits that provide payments for additional living expenses.

These include hotel rooms, meals and related living expenses while your home is being rebuilt or repaired and can’t be occupied. The standard homeowner policy sets limits at about 20% of the maximum coverage.

**Medical Payments**

This coverage pays for the medical expenses of persons accidentally injured at your home, regardless of who is at fault for the injury. Benefits are capped at the medical payment limits in the policy and do not apply to your injuries or those of anyone living with you or to activities involving a home-based business.

**Condominium Insurance**

Your homeowners insurance policy covers your condominium much like it does for a single-family homeowner. The condominium association should have what’s known as a “master policy” on the condominium project, which typically covers the structure. The master policy protects the commonly owned elements of the building, such as the roof and outer walls. You probably pay for a portion of the master policy in your monthly homeowners association dues.

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**Caution:**

**Don’t Get Forced Off the Road with a “Force-Placed” Policy**

Though homeowners insurance covers many types of perils, it does not cover flood damage or damage due to poor maintenance or deliberate destructive acts. In fact, if you let your homeowners insurance policy expire while your home is financed, your lender will likely put what’s known as a “force-placed” policy on the property. Force-placed insurance is often more than twice the cost of traditional policies and provides little benefit to you as the property owner.
As a condo owner, the homeowners policy you purchase typically only covers the contents of the unit and the portions of the building that belong to you as an individual condo association member.

Condo associations can also require unit owners to insure items such as front doors and screened porches. In addition, unit owners should continue to insure interior additions or upgrades which are not the same kind or quality as the original building items.

Your condo association may still choose to cover some items, so make sure you are thoroughly familiar with its bylaws and insurance policy and know what the association is responsible for covering.

**Renters Insurance**

Renters insurance protects your possessions when you rent a house or apartment. Your landlord’s insurance policy usually won’t cover your possessions. For example, if your rented home is destroyed by a fire, your landlord will be covered for the structural damage. But if you don’t have renters insurance, you will not receive any money for your lost possessions. Renters policies can be a relatively inexpensive way to help cover the loss of your personal belongings.

Renters insurance typically covers the same “perils” as homeowners insurance policies (fire, theft, etc.) and also limits your personal liability for injuries to others. In some cases, renter policies also cover additional living expenses if you cannot live in the property temporarily, although this benefit usually has a set maximum amount.

There are two standard renters insurance policies: The Broad Form is the most common and covers personal belongings from damage due to:

- Fire
- Lightning
- Explosion
- Smoke
- Vandalism
- Theft
- Water-related damage from property utilities

The Comprehensive Form provides coverage for all of these events plus additional selected options such as windstorm damage. Since Comprehensive covers more perils, it usually is more expensive than the Broad Form. Neither Broad Form nor Comprehensive Form provide coverage for flood-related damage. Flood insurance is available to renters through the National Flood Insurance Program (NFIP), and it is the only way that renters can obtain coverage for flood damage. For more information on the NFIP see page 20 of this guide.
**Homeowners Insurance for Mobile and Manufactured Homes**

If you own a mobile or manufactured home, the steps for getting insurance are pretty much the same as for owners of other types of homes. Usually you get a standard homeowners insurance policy, though some companies may offer a special manufactured or mobile home policy. You can still qualify for mobile home insurance even if you don't live in the mobile home all year round. If you're renting a mobile home, you can purchase renters insurance to cover personal belongings just like any other renter.

**Am I covered if I move my home?**

The main difference between your mobile or manufactured home and other homes is the fact that yours is built to be moved. Your regular homeowner’s policy will not cover the move from one site to another, and in fact the policy will probably tell you that you have to call your insurance agent if you plan to relocate your home. The company will sell you a different policy for about a month's time, which covers any damage due to the move, the property being stranded, and so on. You may find that you get charged a higher deductible during the move, so be sure to read the policy carefully before trying to make a claim.

**Are there any other differences?**

Companies that insure mobile homes are most concerned about wind and storm damage. This is because mobile homes tend to be lighter and easier for the wind to push around. In order to get insurance you may have to use industry-approved “tie downs” that anchor your unit to the ground.

Another difference is that the company may offer little or limited coverage for outbuildings, like sheds. For example, they might limit coverage of all outbuildings to $2,000.

**Flood Insurance**

You may be required to carry flood insurance on your home if it is in a federally designated Flood Zone. These zones are mainly located in coastal areas that are prone to flooding from oceans, lakes and/or rivers.

Even if your home is not in a Flood Zone, if you think flooding is possible you may be able to voluntarily purchase flood coverage. All standard homeowners and renters policies exclude coverage from floods. Basic coverage is only available through FEMA’s National Flood Insurance Program (NFIP). The National Flood Insurance Program is managed by FEMA, though the insurance policies are sold by approved insurance companies.

You can only purchase flood insurance if your community participates in FEMA’s NFIP. For a complete state-by-state list of communities that are participating, check out the links at FEMA’s website, [www.floodsmart.gov](http://www.floodsmart.gov).

If flood insurance is available in your community, it can be purchased through your local insurance company along with your homeowners or renters policy as long as it offers the NFIP coverage.
Flood Insurance by the Numbers

You should be aware that there are NFIP limits on coverage. Standard dwelling coverage is limited to a maximum of $250,000 for homes and $500,000 for businesses. Annual premiums can vary from $350 to $2,100, depending on the amount of coverage you need and the Flood Zone your home is in.

Alert:
The amount of money that flood insurance pays out for personal property is based on actual cash value rather than the cost to replace your damaged or lost property. This can severely impact you if you must replace everything.

Automobile Insurance

Automobile insurance is required by law in all states. Each state sets the minimum types and amounts of coverage that you must have. Mandatory policies usually include:

- **Personal Injury Protection** — Covers auto accident related injuries for you and your family members or others riding in the car. Some policies will also insure your child if he or she suffers an injury while riding a school bus under this type of coverage.

- **Property Damage Liability** — Covers certain damage that you or anyone covered cause to another person's property with an automobile whether moving or parked. It only covers damage for which you or anyone insured under your policy is legally liable.

- **Bodily Injury Liability** — This coverage pays for death or serious and permanent injury to others when you are legally liable for an accident involving your automobile or while driving someone else's car (in some cases). Your insurance company will pay for injuries up to the limits of your policy and provide legal representation if you get sued.

- **Collision** — This coverage pays, regardless of who causes the accident, for repair or replacement of your vehicle if it collides with another vehicle, flips over, or crashes into an object. It does not cover injuries to people or damage to property other than your covered automobile.

- **Comprehensive** — This coverage pays for losses from incidents other than a collision, such as fire, theft, windstorm, vandalism, or flood. It also covers damages caused by falling objects or from hitting an animal.

- **Uninsured and/or Underinsured Motorist** — This coverage pays for bodily injuries to you, your family members, and any other person occupying your covered automobile, should they be caused by the negligence of an uninsured or underinsured motorist.
**Boat and Watercraft Insurance**

Small boats, including canoes and small sail and power boats (under 25 horsepower), are most likely covered under your homeowners or renters policy. Basic coverage is usually limited to the lesser of $1,000 or 10 percent of the home’s property value.

Maximum limits include the boat, motor, and trailer combined. Liability coverage is typically not included, but it can be included in your homeowners policy. Check with your insurance agent to find out what coverage is in place or available for your boat.

Larger or faster boats and personal watercraft (wave runners and jet skis) need a separate boat insurance policy. Premiums are based on several factors, including the type of craft, size and cost to replace. Boat insurance policies also provide expanded liability protection. They cover:

- Damage to the hull, machinery, and certain equipment
- Bodily injuries caused to others
- Property liability
- Medical payments for the owner and passengers
- Theft

Liability policies are available for $15,000 to $300,000 in coverage. Deductibles generally range from $250 to $1,000. Policies also can include towing coverage, insurance for the boat trailer and any special equipment that may be on board, such as fishing gear.

**Home Rental or Dwelling Insurance**

If you rent your home to others, insurance companies offer landlord coverage to suit your situation. You usually need a commercial dwelling policy to cover a home you do not live in. If you rent a room or a portion of your home, ask your agent what coverage you may need.

**Ordinance or Law Coverage**

It’s possible that a local building code or law passed after you purchased your insurance policy could increase the cost of repairing or replacing your home if it’s damaged. The insurance company will not pay that extra amount, unless you add ordinance or law coverage to your policy.

Your agent must offer you ordinance or law coverage. If you do not wish to buy this coverage, you must sign a form stating that you reject it. Some companies automatically include this coverage.
**Supplemental Insurance**

Review the following wise tips to consumers on supplemental types of insurance coverage:

- **Inflation Guard** — Inflation or room additions can increase the replacement cost of your home and its contents, while the actual cash value of your home may decrease over time. An inflation guard endorsement gradually increases your coverage limit annually to keep your insurance coverage up-to-date with current prices and inflation.

- **Windstorm Coverage** — Most homeowner policies do cover damage caused by windstorms, hurricanes and hail, but insurance companies may exclude this coverage in some high-risk areas — such as homes on or near the beach.

- **Hurricane Deductibles** — Most coastal insurance policies include special hurricane deductibles that take effect when the National Weather Service has issued a hurricane warning. These deductibles depend on the value of the insured property and apply only to hurricane claims. You may owe extra out-of-pocket costs for damage that occurs: any time a hurricane watch or warning is issued, up to 72 hours after such a watch or warning ends, and any time when hurricane conditions exist throughout the state.

Even though you may face damage from more than one storm during a season, you typically only have to make one deductible payment per year.

**Sources of Insurance**

You have at least three sources of insurance products if you’re a resident of a coastal or flood-prone area.

**Private-Sector Firms**

These include the familiar, name-brand insurance companies and mutual associations that are found across the country. Many offer both homeowners and automobile coverage. You’ll want to read the fine print and discuss your options with an insurance company representative to make sure your needs are met.

You also want to be sure that your insurance company is dependable and law-abiding. The National Association of Insurance Commissioners (NAIC) monitors insurance companies by tracking a wide variety of information in its “Consumer Information Source.” Information the NAIC tracks includes key annual statements, a financial profile, basic data about where policies are written, as well as assets and liabilities. The financial strength of your carrier is very important. This is especially true if the company has many commitments that could force it to make large payouts. The NAIC also tracks complaints through its Closed Consumer Complaint data for each company that provides reports to NAIC.
You can check out potential companies and gather additional helpful information at NAIC’s website, www.naic.org.

National Flood Insurance Program

The National Flood Insurance Program is managed by FEMA, though the insurance policies are sold by approved insurance companies. These include private-sector insurance companies that offer other types of insurance, such as homeowners, renters and automobile insurance.

If you need or want flood insurance, first check the FEMA website, www.floodsmart.gov, to make sure your community participates in the program. If so, you can ask your insurance company if it offers coverage. Information on FEMA and the NFIP is available throughout this section, but don’t forget to check out the additional information in the FEMA section earlier in this guide.

Alternative State Pools and Corporations

Many states have “last resort” insurance pools for residents who are unable to secure private-sector coverage. As many companies have discontinued or sharply reduced policy-writing, these last resort pools have become the only available source of insurance for many in areas vulnerable to hurricanes.

New Jersey: Check www.state.nj.us/dobi for information on the availability of alternative insurance pools.

New York: Check www.dfs.ny.gov for information on the availability of alternative insurance pools.

Need Help Now? Navigating the Claims Process

The claims process can be complicated and overwhelming, especially if you have lost important photographs, receipts, and other vital documents in a disaster. In addition, you may have to file a claim with several different companies if you have separate carriers for homeowners, flood, and automobile insurance.

Most states have laws on how you and your insurance company should conduct the process of filing a claim and resolving the claim. Insurers are usually required to make a written settlement offer within 30 days of receiving a claim, provided the customer has submitted satisfactory proof of loss.

Fortunately, FEMA and many state insurance regulators make guidance for the claims process available on their websites. We’ve also organized this section to help you quickly learn about claims-related topics and get answers to your specific questions.
Understanding Disaster-Specific Damage

Before you can begin to file a claim, you need a clear understanding of which policy covers what types of damages. For example, coastal-area homeowners policies often contain the following specific limits: “excludes flood, surface water, waves, tidal water, and overflow of a body of water or spray from any of these.”

You can see from this confusing language that it is often difficult to quickly resolve who is responsible for damages, since it’s not always easy to separate perils like wind-related damage (covered) from flood-related damage (not covered).

The insurance adjuster will make the final determination on which insurance policy is responsible, once he or she reviews the claim. However, you need to know beforehand what is covered in each of your policies. That way you can be sure to have the right protection in place for each type of damage.

For the purposes of this section of the guide, we’ll limit our discussion to five types of hurricane-and flood-related damages:

- Water
- Wind
- Flood
- Mold
- Soil

Water Damage

Water damage is one of the most common reasons people make claims on their homeowners insurance. Burst pipes, leaky appliances, and flooded basements are just a few of the unexpected ways you could discover exactly what is and is not covered by your homeowners insurance policy.

Homeowners policies don’t cover flood damage, but they do cover other kinds of water damage. For example, they would generally pay for damage from rain coming through a hole in the roof or a broken window, as long as the hole was caused by a hurricane or other disaster covered by the policy.

Wind Damage

Wind-related damage, including wind-damage from hurricanes, is typically included in your homeowners insurance policy unless you live in coastal areas. In those cases, if you are unable to find private-sector coverage you can usually get insurance from one of the state-run alternative programs. Check out the previous section on insurance for availability and state contact information. Even if your policy includes windstorm damage, you may be able to purchase additional protection if the policy limits are not enough.
Flood Damage

Flood insurance covers losses to your property caused by flooding — from structural and mechanical damage to flood debris clean-up, and damage to floor surfaces such as tile and carpeting. Personal property coverage insures most of your personal property and belongings up to a specified limit, including:

- Clothing
- Furniture, housewares, bedding
- Decorative items, lamps, lighting fixtures
- Books, home electronics, computers
- Area rugs, and draperies
- Clothes washers, and dryers
- Air conditioners
- Food freezers, and the food in them
- Portable microwave ovens

Mold Damage

Water damage that can cause mold may come from a burst pipe, a failed appliance or an automatic fire sprinkler. Water can also enter your home from storm damage to a roof or window, or rising water from a flood. Regardless of the source, insurance coverage for mold damage varies with individual policies.

Mold that results from a sudden and accidental discharge of water — like a burst pipe or other plumbing failure — is usually a covered claim in homeowners policies. Claims may also arise from water damage due to hurricanes or flooding. Please refer to your policy provisions for details regarding specific mold coverage and limitations.

Most insurers now offer limited coverage for mold-related property damage within the basic policy. Many insurers offer $10,000 of limited coverage, with the opportunity to purchase additional coverage for an additional premium. Other insurers exclude mold-related property damage entirely, but offer coverage in amounts of $10,000, $15,000, $25,000, $50,000, and policy limits for an additional premium. Any changes in mold-related property damage coverage must usually be approved by the state.
**Soil Damage**

Prolonged, severe flooding can create new challenges in terms of environmental hazards such as dangerous levels of minerals or other toxic substances — such as pesticides and industrial waste. Environmental testing may be required, unsafe levels of toxic substances (ex: arsenic) could be found in the soil at or above exposure thresholds.

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**Damage to Your Home During a Storm: What Insurance Covers What Damage?**

Hurricanes cause a wide variety of damage to homes. One or more of the scenarios below may apply to your situation. These are general scenarios that assume you only have homeowners insurance. Since insurance coverage varies by state and insurance company, be sure to contact your insurance company regarding your specific situation.

**Scenario No. 1: During a heavy rainstorm, water leaks through your roof. The roof is damaged, and so is your furniture.**

Are you covered? Somewhat. While you might not be reimbursed for roof repairs, because that’s a home-maintenance issue, the water damage to your home is covered. The damage to your furniture is not covered, because rainwater leakage is not one of the “named perils” for which the contents of your house are covered.

**Scenario No. 2: My house did not flood, but I have water damage from a storm or hurricane.**

Are you covered? Rain entering through wind-damaged windows, doors or a hole in a wall or the roof, resulting in standing water or puddles, is considered windstorm — rather than flood — damage, and is covered by your homeowners policy. The NFIP flood insurance policy only covers damage caused by the general condition of flooding typically caused by storm surge, wave wash, tidal waves, or the overflow of any body of water over normally dry land areas. Buildings that sustain this type of damage usually have a watermark, showing how high the water rose before it subsided.

**Scenario No. 3: A nearby lake or river overflows its banks, causing a flash flood in your living room.**

Are you covered? No. Flood damage is not covered by homeowners insurance. You must purchase flood insurance from the federal government. You can purchase flood insurance, as long as your community participates in the National Flood Insurance Program.
**Scenario No. 4:** A sewer backs up, flooding your basement.

Are you covered? Probably not. Some homeowners policies automatically include coverage for sewer and drain backups, but most do not. Special endorsements are available, at added cost, for sewers and drains. Read your policy carefully to find out whether you have the endorsement.

**Scenario No. 5:** Water seeps from the ground into your basement, damaging your foundation and interior.

Are you covered? No. Seepage is considered a maintenance problem, not “sudden and accidental” damage. Seepage is excluded from homeowners insurance coverage.

**Scenario No. 6:** During a storm, the power from the electric utility is lost and all of the food in your refrigerator is spoiled and must be thrown out.

Can you make a claim? The general answer is no. However, there are a number of exceptions. In some states, food spoilage is covered under your homeowners policy. In addition, if the power loss is due to a break in a power line on or close to your property, you may be covered.

**Scenario No. 7:** You have a house close to the river or ocean. You have heard that if your house is destroyed by wind, the town’s new building code requires that you rebuild the house on stilts. This will cost $24,000, in addition to the cost of rebuilding your home.

Are you covered for the extra cost? No, but check your policy. The most common homeowners insurance policies exclude costs caused by ordinance or laws regulating the construction of buildings. However, if you purchased a Law and Ordinance endorsement, the extra costs will be covered.

**Scenario No. 8:** During a storm a tree falls in your backyard and damages your roof. A tree also falls in your front yard, but does not cause damage to your property.

Are you covered? Generally, insurance covers clean-up and removal of a fallen tree if it causes damage to your home or property. Most policies will pay for removal of a tree that has fallen on your house, deck furniture, or fence, and some policies will pay for removal of a tree that falls and blocks your driveway. Most likely, you are not covered for the tree that fell in your front yard. Depending on your state, however, the rules may differ. Check with your insurance company, the state department of insurance or a lawyer for more information.
**Sample Policy: The Declarations Page**

Your insurance company prepares a form known as a Declarations Page that is sent for each new policy and again each year when your homeowner policy is renewed. This Declarations Page provides a summary of all the types of coverage that are included in your policy. It helps you understand how much coverage you have and what the cost of that coverage is.

The following page contains a sample Declarations Page. Your policy may look a little different, but it should provide the same type of information.
Sample Homeowners Policy

1. Policyholder name and location of insured dwelling
2. Company Name
3. Policy Number
4. Premium
5. Mortgage holder name and address
6. Summary of basic coverage and limits
7a. Deductible (amount policyholder must pay per claim or accident)
7b. Hurricane deductible
8. Liability protection
9. Type of policy (in this case, HO-3)
10. Optional coverage (called an endorsement) for special terms such as jewelry or silverware
11. Coverage offered or required under state law
12. Name of agent or company representative

PROTECTORS FIRE & CASUALTY CO.  
POLICY NUMBER 10-91-8880-4  
HOMEOWNERS RENEWAL DECLARATIONS POLICY

NAMED INSURED AND MAILING ADDRESS:  
SMITH, JOE AND JANICE  
333 OAK STREET  
HOMEPWN, FL 12345-6789  

THE RESIDENCE COVERED BY THIS POLICY IS LOCATED AT THE ABOVE ADDRESS UNLESS OTHERWISE INDICATED  

PROTECTORS FIRE & CASUALTY COMPANY  
P.O. BOX 12345  
BOSTON MA 01234  

RENEWAL CERTIFICATE  
PREPARED MAY 11, 2005

DATE DUE  
6/1/12  
PLEASE PAY THIS AMOUNT:  
$479.53  

FULL PAYMENT DUE EXTENDS POLICY PERIOD TO JUNE 1, 2013

POLICY NUMBER 10-91-8880-4

MORTGAGEE:  
TRUST BANK  
P.O. BOX 000  
TALLAHASSEE, FL 32301

DATE OF COMMISSION  
6/1/12  
June 1, 2013

SECTION I  
COVERAGE LIMITS
A. Dwelling $100,000
B. Other Structures $50,000
C. Personal Property $50,000
D. Actual Loss Sustained

DEDUCTIBLES - SECTION I
7a. Deductible $500

7b. Hurricane deductible

8. Liability Protection

9. Type of policy (in this case, HO-3)

10. Optional coverage (called an endorsement) for special terms such as jewelry or silverware

11. Coverage offered or required under state law

12. Name of agent or company representative

FROM: 6/1/12 TO: 6/1/13

FLORIDA-SPECIFIC ENDORSEMENTS
SINKHOLE FL 7210.4
ORDINANCE/LAW FL 7311.4

SUCHES REQUIRED BY FLORIDA LAW:
EMERGENCY MANAGEMENT SERVICES $2.00
FLOERDA HURRICANE CATASfOPH FUND $4.53

SPECIAL DISCOUNTS:
SMOKE DETECTORS
DEAD-BOLT LOCKS
FI RE EXTINGUISHERS
BURGLAR ALARMS
APPROVED STORM SHUTTERS

TOTAL DISCOUNTS: 20% OR $176 PER YEAR

THANKS FOR LETTING US SERVE YOU.
Agent: BROWN, BONNIE
Telephone: 954-555-1234

Navigating the Road to Housing Recovery
Preparing and Submitting Your Insurance Claim

Start with a Home Inventory

The claims process really begins long before a disaster strikes, starting with an inventory of your possessions. Chances are you have gathered many items over the years that are important to you. Losing those items in a fire or flood could be devastating — especially if you have no documents or records to support an insurance claim for their value.

Your inventory should have a detailed list of items in your home, including a description of each item, and make and model numbers if applicable. Include the serial number for major appliances and electronics. The list should include where and when the item was purchased.

There are widely available computer programs and Internet resources to help you easily prepare and manage your home inventory. Once you have completed an up-to-date list you can quickly and easily add new items as you acquire them.

It is best to itemize jewelry and other valuables. Clothing items can be summarized, such as “20 pants, 40 shirts.” However, track any articles of clothing that are particularly valuable, such as a designer suit.

Attach relevant sales receipts, bills of sale or other supporting documents to the list and keep it in a safe spot — a bank safety deposit box or a safe in your home. Take a picture of or videotape the item if appropriate. This will help provide additional proof as to its condition if you must file a claim. Your insurance company is likely to have an inventory form available.

Homeowners Insurance Claim Processing Tips

It’s important to follow some basic steps in order to help maintain a smooth claim filing process. The following steps will help you deal with the disaster and prepare for the initial claim filing process:

• Gather Your Documents — Gather your insurance policy and related insurance records. If the policy was lost or destroyed in the disaster, contact your insurance agent or company to get a copy.

• Know Your Policy — Understand what your policy says. The policy is a contract between you and your insurance company. Know what is covered, what is excluded, and what the deductibles are.

• Report Property Damage — Immediately report property damage to your agent and insurance company. Your agent should provide claim forms if required and report your loss to the insurance company. The company will arrange for an insurance adjuster to visit your property and assess the damage.
• **Follow Up in Writing** — After phoning your agent, follow up with written notification to your insurance company if possible. It should include the following basic information:
  - Your name and contact information, including address and telephone numbers
  - The name and contact information of the insured person, if different from above
  - Location of loss
  - Date and time of loss
  - Brief description of loss

• **Secure Your Property** — Take precautions if the damages require you to leave your home. Secure your property. Remove valuable items. Lock windows and doors. Contact your agent or insurance company and leave an address and phone numbers where you can be reached.

• **Prevent Further Damage** — Make emergency repairs and document them — keeping a file with all of your receipts. Your policy requires such repairs to prevent further weather-related damage to your home and its contents. However, don’t make permanent or extensive repairs before the claims adjuster arrives. Also, don’t throw out damaged furniture and other expensive items; the adjuster will want to see them.

• **File Claims As Soon As Possible** — Don’t let the bills or receipts pile up. Call your agent or your company’s claims hotline as soon as possible. Your policy may require that you notify your insurer within a certain time frame. If possible, determine what it will cost to repair your property before you meet with the claims adjuster.

• **Provide Complete, Correct Information** — Make a list of everything you want to show the adjuster when he or she arrives. Give the claims adjuster records of any improvements you made to your home – such as photos of a deck you had added on. Be certain to give your insurance company all the information they need. Incorrect or incomplete information will only cause a delay in processing your claim. Keep all receipts and take photographs of the damages — before and after temporary repairs — to submit with your claim. Your insurer will reimburse these costs later.

• **Keep Copies of All Correspondence** — Whenever you communicate with your insurance company, keep copies and records of all correspondence. Write down information about your telephone and in-person contacts with your insurance company, including the date, name and title of the person you spoke with, and what was said. Also keep a record of your time and expenses.
• **Ask Questions** — Ask the company for the specific language in the policy that is in question. Find out if the disagreement is because you and the insurance company interpret your policy differently.

• **Don’t Rush into a Settlement** — If the first offer made by an insurance company does not meet your expectations, be prepared to negotiate to get a fair settlement. If you have any questions regarding the fairness of your settlement, seek advice from a professional.

**Personal Property Insurance Claim Processing Tips**

• Add up the cost of everything inside your home that has been damaged in the disaster. Review your home inventory to help you remember the things you may have lost.

• If you don’t have an inventory, look for photographs or videotapes that picture the damaged areas. For expensive items, you may also contact your bank or credit card company for proof of purchase.

• When making your list, don’t forget items that may be damaged in out-of-the-way places—such as the attic or tops of closets.

**Additional Tips for the Claims Process**

FEMA also provides a set of guidelines for filing flood insurance claims at its website, at [www.floodsmart.gov/floodsmart/pages/preparation_recovery/file_your_claim.jsp](http://www.floodsmart.gov/floodsmart/pages/preparation_recovery/file_your_claim.jsp).

**When Things Go Right: Settling Damage Claims and Moving Ahead with Repairs**

Disasters can make enormous demands on insurance company personnel. Sometimes after a major disaster, state officials request insurance adjusters to see everyone who has filed a claim before a certain date. When there are a huge number of claims, the deadline may force some adjusters to make a rough first estimate. Don’t hesitate to ask the adjuster for an itemized explanation of the settlement offer if you need it.

If the first evaluation is not complete, set up an appointment for a second visit. The first check you get from your insurance company is often an advance. If you’re offered an on-the-spot settlement, you can accept the check right away. Later on, if you find other damage, you can “reopen” the claim and file for an additional amount.
Most policies require claims to be filed within one year from the date of the disaster. Remember that your insurance company won’t pay more than the limits of the policy, unless you have an extended or guaranteed replacement cost policy.

Some insurance companies may require you to fill out and sign a “proof of loss” form. This formal statement provides details of your losses and the amount of money you’re claiming. It serves as a legal record. Some companies waive this requirement after a disaster if you’ve met with the adjuster, especially if your claim is not complicated.

**Making Repairs to Your Home**

The choice of repair firms is yours. If your home was adequately insured, you won’t have to settle for anything less than you had before the disaster. Be sure the contractor is giving you the same quality materials. Don’t get permanent repairs done until after the adjuster has approved the price. If you’ve received bids, show them to the adjuster when he or she arrives. If the adjuster agrees with one of your bids, then the repair process can begin. If the bids are too high, ask the adjuster to negotiate a better price with the contractor you would like to use.

Adjusters may also recommend firms that they have worked with before. Some insurance companies even guarantee the work of firms they recommend, but such programs are not available everywhere. We can’t stress enough how important it is to proceed with caution when selecting a contractor.

**Settling on Your Vehicle Damage**

If your car was damaged and you have comprehensive coverage in your auto insurance policy, you should contact your auto insurance company. If your car has been so badly damaged that it’s not worth repairing, you will receive a check for the car’s actual cash value — what it would have been worth if it had been sold just before the disaster. Your local bookstore or library may have used car prices that will give you an idea of what your car was worth.

**Settling on Damage to Trees and Shrubbery**

Most insurance companies will pay for the removal of trees that have fallen on your home, but won’t pay to remove fallen trees that didn’t cause damage to your home.

Because high winds cause so much damage to trees and shrubs every year, insurance companies won’t pay to replace trees or shrubbery that have been damaged in a storm. If trees and other landscaping were covered, homeowners insurance would be unaffordable.
How Is the House Insurance Settlement Amount Determined?

The settlement amount, or compensation, you get depends on which type of policy you have. Here are some things you should know.

Replacement-Cost and Actual Cash Value Policies

A replacement-cost policy provides you with the dollar amount needed to replace a damaged item with one of similar kind and quality without deducting for depreciation — the decrease in value due to age, obsolescence, wear and tear, and other factors.

An actual cash value policy pays you the amount needed to replace the item minus depreciation.

Suppose, for example, a tree fell through the roof onto your eight-year-old washing machine. If you had a replacement-cost policy for the contents of your home, the insurance company would pay to replace the old machine with a new one. If you had an actual cash value policy, the company would pay only a percentage of the cost of a new washing machine because a machine that has been used for eight years would be worth less than its original cost.

Suppose, also, that the tree damaged your 15-year-old roof so badly that it had to be completely replaced. If you had a replacement-cost policy, the insurance company would pay the full cost of installing a new roof. If you had an actual cash value policy, it would pay a smaller percentage of the cost of replacing it.

Extended and Guaranteed Replacement-Cost Policies

If your home is damaged beyond repair, a typical homeowners policy will pay to replace it up to the limits of the policy.

When the value of your insurance policy has kept up with increases in local building costs, a similar dwelling can generally be rebuilt for an amount that is within the policy limits.

Some insurance companies offer a replacement-cost policy that will pay a certain percentage over the limit to rebuild your home — 20 percent or more, depending on the insurer — so that if building costs go up unexpectedly, you will have extra funds to cover the bill. These are called extended replacement-cost policies.

A few insurance companies still offer a guaranteed replacement-cost policy that pays whatever it costs to rebuild your home as it was before the disaster. But neither a guaranteed nor an extended replacement-cost policy will pay for a house that’s better than the one that was destroyed.
How Will I Receive the Money?

Payments and Your Mortgage Lender

When both the structure and the contents of your home are damaged, you generally get two separate checks from your insurance company. If your home is mortgaged, the check for home repairs will generally be made out to you and the mortgage lender. As a condition of granting a mortgage, lenders usually require that they are named in the homeowners policy and that they are a party to any insurance payments related to the structure. Compensation for loss of the contents of your home is payable to you.

The lender gets equal rights to the insurance check to make sure that the necessary repairs are made to the property, since the lender has a significant financial interest in the home retaining its value. This means that the mortgage company or bank will have to endorse the check. Lenders generally put the money in an escrow account and pay for the repairs as the work is completed.

You should show the mortgage lender your contractor’s bid and say how much the contractor wants up front to start the job. Your mortgage company may want to inspect the finished job before releasing the funds for payment.

Some construction firms want you to sign a “direction to pay” form that allows your insurance company to pay the firm directly. Make certain that you’re completely satisfied with the repair work and that the job has been completed before signing any forms. Once you sign a “direction to pay” form, the construction firm will bill your insurance company directly and attach the form you signed.

State bank regulators often publish guidelines for banks to follow after a major disaster, setting out how these and other matters should be handled. Contact state offices to find out what these guidelines are. See page 53 for state bank regulator offices.

Contents of Your Home

If you have a mortgage on your home, your bank may have received a single check for both repairs to your home and your possessions. If you don’t get a separate check from your insurance company for the contents of your home and other expenses, your lender should release the insurance payments that don’t relate to the dwelling. It should also release funds that exceed the balance of the mortgage.

Contact the offices of your state bank regulators if you have questions about how your lender is handling the insurance settlement funds.
If you have a replacement-cost policy for your personal possessions, you normally need to replace the damaged items first before your insurance company will pay you. If you decide not to replace some items, you will be paid their actual cash value.

Your insurance company usually allows you several months from the date of the cash value payment to replace the item and collect full replacement cost. Find out how many months you are allowed. Some insurance companies supply lists of vendors that can help replace your property. Some companies may also provide some replacement items themselves.

**Additional Living Expenses**

There may be limits on the amount of additional living expenses that will be paid, so be sure to check your policy. Your check for additional living expenses (for hotels, car rentals, and other expenses you incur while your home is being fixed) should be made out to you, not your lender. This money has nothing to do with repairs to your home.

**If Your Home is Destroyed and You Decide to Rebuild Your Home on the Same Site**

- The amount of money you’ll have to rebuild your home depends on both the type of policy you bought and the dollar limit specified on the first declarations page of your policy.

- Generally, you are entitled to the replacement cost of your former home, providing that you spend that amount of money on the home you rebuild.

- Remember, your insurance policy will pay to rebuild your home as it was before the disaster. It won’t pay to build a bigger or more expensive house. A similar rule applies to repairs.

**If Your Home is Destroyed and You Decide to Rebuild in a Different Location or Not to Rebuild at All**

- The amount you’ll get from your insurer will be determined by your policy, state law, and/or what the courts may have ruled on this matter.

- If you decide not to rebuild, review your policy and ask your insurance agent or company representative what the settlement amount will be.
After Your Claim Has Been Settled and the Repair Work Is Underway

Take some time to evaluate your homeowners insurance coverage. For example, was your home adequately insured? Did you have replacement-cost coverage for your personal property? Talk to your insurance agent or company representative about possible changes.

Have a Complaint or Can’t Get an Answer? When Things Go Wrong

Some news reports of previous catastrophic disasters indicated that many homeowners affected by those storms settled with their insurance companies for less than the damage they suffered. If you feel that the amount of the settlement you received from your insurer does not reflect the actual damage to your home, or is insufficient or unfair, you may have the option to reopen and pursue your claim for a fairer settlement.

Many insurance companies could attempt to deny claims they classify as flood damage, which is not covered by homeowners insurance. However, your damage may be the result of wind and wind-driven rain, which is covered under homeowners policies. For example, rain entering the structure due to wind damage can cause interior and structural water damage.

When you can’t solve a problem easily with your insurance company, file a complaint with your state’s insurance regulator. Most state regulators have an online complaint form, or you can call and ask that a complaint form be sent to you. Here is the contact information for New Jersey and New York insurance regulators:

- **State of New Jersey Department of Banking & Insurance**
  Website: [www.state.nj.us/dobi/index.html](http://www.state.nj.us/dobi/index.html)
  Tel. (toll-free): 800-466-7467 or 609-292-7272

- **New York State Department of Financial Services**
  Website: [www.dfs.ny.gov/insurance/dfs_insurance.htm](http://www.dfs.ny.gov/insurance/dfs_insurance.htm)
  Tel. (toll-free): 800-342-3736, 212-480-6400 or 518-474-6600

You may also wish to consult a lawyer for help with an insurance claim or problem. Refer to your state Resource Guide at Route 4 for a listing of free or low-cost legal resources in your area.
What If I Can’t Reach an Agreement with My Insurance Company?

If you and your adjuster can’t agree on a settlement amount, contact your agent or your insurance company’s claim department manager. Make sure you have figures to back up your claim for more money. If you and your insurance company still disagree, your insurance policy allows for an independent appraisal of the loss.

For an independent appraisal of the loss, you hire an independent appraiser and your insurance company also hires an independent appraiser. Together the appraisers choose a mediator. The decision of any two of these people is binding. You and your insurance company each pay for your own appraiser and share the other costs.

However, disputes rarely get to this stage. Some insurance companies may offer you a slightly different way of settling a dispute, called “arbitration.” When settlement differences are arbitrated, a neutral arbiter — person who judges — hears the arguments from both sides and makes a final decision on the dispute.

What Is Mediation?

Mediation is a process through which a neutral, unbiased third party meets with opposing sides in an effort to resolve a dispute. Mediation is not arbitration, where the arbiter makes the decision on how to resolve the dispute. Instead, the mediator recommends a solution after helping the parties focus on the issues and understand each other’s point of view. The mediator usually chooses a non-threatening place for the conference, which could include meeting privately with you or your insurance company. The most important thing to remember about participating in mediation is that you have a chance to explain what you believe you are entitled to under your insurance claim.

Mediators should be trained professionals who are skilled in resolving disputes. All should be specifically trained in mediation theory and practice and have no bias, ties or affiliation with you or the insurance company.

Mediation is usually non-binding. Neither you nor the company is legally obligated to accept the outcome. Even if you do settle at the mediation, you have a three-day grace period to change your mind, as long as you do not cash your settlement check and you inform your insurance company that you have decided to reject the mediated outcome.

Choosing mediation also does not prevent you from taking part in other ways of resolving the dispute, or even going to court later. Nothing you say in a mediation conference can be used against you in any later proceedings.
**Who Can Ask for Mediation?**

Any insured person who has a disputed claim may request mediation. A disputed claim is defined as any claim where the difference between the positions of you and your insurance company are $500 or more. Claims related to commercial insurance, auto insurance, liability coverage, or the National Flood Insurance Program are not eligible. Don’t let your insurance company discourage you from pursuing mediation — it’s your right under the law.

**How Does the Mediation Process Work?**

Most states have established mediation programs to bring policyholders and their insurance companies together to find common ground (see contact information for “State Regulators” on page 53 in this section).

**How Do I Get Started?**

Your insurance company is required to notify you in writing of your right to mediation. If you wish to request mediation, contact the American Arbitration Association at (800) 778-7879 or contact your insurance company or agent. Once mediation has been agreed to, the mediator will notify you and the company of the date, time, and place of the conference. Mediation will be held at a neutral site.

**How to Prepare for Your Mediation Conference**

Be sure to bring any supporting documents, including your policy, photographs, estimates, bills, reports, letters, etc. It is important to have specific dollar estimates or quotes for all items that are in dispute.

In order to make your case for damage being wind damage rather than flood damage, collect statements about wind damage. You might be able to get a statement from neighbors who stayed during the hurricane. Be sure to include a time line (when the wind and rain occurred, when the flooding occurred) and note if the water rose slowly or gently.

**Who Can Attend the Mediation Conference?**

If you are relying on architects, adjusters or contractors to justify your claim, you may ask them to attend. Review your policy carefully and look for names of those listed as “named insured.” If the people listed there cannot attend, send someone who has the authority (often called “power of attorney”) and can make a decision about settling a claim to act for the “named insured.” Since mediation is designed to be non-adversarial, it is not necessary to have a lawyer present. However, you may choose to have one attend.
How Much Time and Money Is This Going to Cost?

Mediation can continue as long as both parties agree that they are making progress. Most mediation procedures only last a few hours. Mediation is paid for by the insurance company, except in the case where the consumer cancels without good cause and wants to reschedule the mediation. In that case, the consumer pays.
State Insurance Regulators

If you suspect that you have been a victim of insurance fraud or abuse, or if you have questions about any of the other topics covered in this section of the guide, you should contact your state insurance regulator.

NEW JERSEY

New Jersey Department of Banking and Insurance
20 West State Street
PO Box 325
Trenton, NJ 08625
Phone: 609-292-7272
Hotline: 800-446-7467
Website: www.state.nj.us/dobi/index.html

Newark Consumer Center
153 Halsey Street
Newark, NJ 07102
Phone: 973-648-4713
FAX: 973-648-4325

NEW YORK

New York State Department of Financial Services
One State Street
New York, NY 10004-1511
Phone: 800-342-3736; 212-480-6400; 518-474-6600
Website: www.dfs.ny.gov/insurance/dfs_insurance.htm
Just Beginning Your Search? Acquiring Insurance

As you begin your search for the right insurance, you’ll need to understand your options and policy choices. Homeowners and renters policies are essentially the same, except that renters policies do not cover damage to the dwelling.

Here are some basic points you will want to consider:

**How Much Insurance Should You Have?**

It’s generally safe to assume that the more insurance you have, the more protected you are if you have to file a claim. At the same time, there is no point in over-insuring and paying too much in annual premiums. For instance, you should only insure your home for the dwelling’s estimated replacement cost, excluding the value of the land it sits on.

**Should You Choose Replacement-Cost or Actual Cash Value?**

When buying insurance coverage, you must choose whether to insure your property and belongings for actual cash value or replacement cost.

Replacement cost will cover the cost of rebuilding, repairing or replacing your home and personal belongings up to the covered amount of your policy. Actual cash value premiums cost less but only provide reimbursement based on the present value of the destroyed item.

Carefully weigh the value of replacement-cost coverage even if it costs a little more. The out-of-pocket difference in the event of a loss can be great. If your home is insured for less than 80% of its replacement cost, you may be liable for a co-payment penalty.

An extended replacement-cost policy will provide an additional 20% in coverage above standard policy limits. Guaranteed replacement-cost coverage can protect you regardless of the future cost to repair or rebuild your home. A home’s age can limit these types of policies. Older homes may require a modified replacement-cost policy, which will replace the features of older homes, such as plaster walls, with drywall and other typical modern building materials.

**What Additional Types of Coverage Should You Consider?**

Inflation guard coverage will increase your coverage limits for replacement cost every year, and so keep your insurance up-to-date. If you don’t have this type of endorsement, you should consider your maximum limits each year and discuss with your agent whether they should be increased.

Replacement-cost and actual-cost options are also available for personal property. An older refrigerator, stove or television may have little value from an insurer’s point of view. However, your cost to replace those items at today’s prices could be overwhelming.
There may also be standard personal property limits for specialty items such as jewelry, antiques, electronics and firearms, among others. You can purchase a separate Scheduled Personal Property Endorsement or “floater” to fully protect these types of valuables. These policies often also provide coverage in the event of loss in addition to theft, damage and destruction.

Older homes occasionally need improvements to bring the property up to current building code standards. The cost of these upgrades may not be covered in your standard policy. If your home is destroyed, even guaranteed replacement coverage will typically exclude the cost of rebuilding to meet new building codes. You may want to consider purchasing a separate Law and Ordinance endorsement to protect you in these cases.

**What Factors Affect the Cost of Premiums?**

When it comes to setting premium costs, rates of loss, and location are among the considerations but they are not the only factors. Neighborhood characteristics — such as crime rates — can also influence general premium levels.

If you rent your home or apartment, the insurance company will not consider factors like size and building costs, but it will look at other risks that may be associated with apartment or condominium living.

There are other individual property-related items and policy options that also play a large role in setting premium levels. These are:

- **Amount of coverage** — It should be no surprise that the amount of coverage is a large component of premium pricing. Additional endorsements and supplemental types of coverage can also contribute significantly to premium costs.

- **Deductibles** — The deductible is the amount of out-of-pocket cash you will pay for each claim before the insurance company begins to pay out benefits. Most insurers will tie annual premium costs to the amount of deductible you are willing to pay; if you choose a higher deductible, like $500 instead of $250, your annual premium will be lower.

- **Type of building materials and construction** — Since wood-frame homes often cost more to insure than brick homes due to the increased chance of fire, your annual premium will be higher.

- **Age of house** — New homes can qualify for discounts in some states and older homes may have limited or no coverage available due to extensive risk or higher replacement costs.
• **Local fire protection** — How close is the nearest fire hydrant and the local fire station? How fast emergency responders can arrive can be the difference between a little damage and total destruction. Rural properties present greater risk since fire and rescue teams may be located many miles away.

• **Discounts** — You can sometimes get a multiple policy discount from insurers that cover your home, car and perhaps other insurance needs.

• **Credit history** — More insurance companies are looking at credit reports as part of the application process. Many are now including credit score or credit history items in their consideration process and pricing premiums, or refusing to offer coverage, based on credit record findings.

**Strategies for Minimizing Risk and Reducing Premiums**

You may have no control over market conditions that contribute to premiums, however there are other items you do have some control over that can affect premium amounts. You may be able to save anywhere from 5% to 25% or more in annual insurance costs just by implementing some of these simple tips:

**Shop Around**

Like most professional services, it pays to shop and compare providers. You must first determine the types of coverage and policy endorsements you need. Then call insurance company agents and brokers or check the Internet for comparison quotes. Prices can vary greatly, so be sure to get several comparisons.

Your state regulator can provide you with a complete list of licensed insurers in your state and may also have comparison pricing information. State regulator contacts are listed in this section on page 53.

Check the background of insurance companies you are unfamiliar with. They should be financially stable and have high marks from independent ratings agencies. Regulators often have information concerning complaints or rulings against certain providers which will help you steer clear of unethical business practices or insurance.

**Increase Your Deductible Amount**

The insurance deductible is the amount you will pay towards replacing your losses if you have a claim. For example, if you have a claim of $25,000 worth of personal property losses with a $2,000 deductible, your settlement check would be $23,000. Also keep in mind that claims that are less than the deductible amount are your responsibility. For example if the deductible is $2,000 and your losses are $1,500, you will not be eligible to receive any reimbursement under your policy. Most experts recommend a minimum $500 deductible. If you can afford to raise the deductible to $1,000, you could create significant savings in annual premium costs.
Of course you will have to come up with $1,000 instead of $500 if you experience a major loss, but you might easily make the difference up in a few years through your reduced annual premiums. Wait! Before you raise your deductible, consider if you would have the extra funds on hand if you needed them tomorrow.

Remember that the insurance company may also have separate or additional deductible amounts for damage caused by major disasters such as wind and hail storms.

**Check Into Discounts**
If your company insures homes and automobiles, find out if they offer premium discounts if you insure everything with them under an umbrella policy. You might be able to save in annual premium costs on each type of coverage by combining policies with the same provider.

**Improve Security Systems**
Smoke detectors, sprinkler systems, deadbolts, burglar alarms and security systems can all help reduce premiums depending on their features. However, consider the cost of installing expensive systems versus the premium discount before you decide to install one just for insurance savings. You should also be certain that the device you’ve chosen will qualify for a premium discount.

**Make Your Home More Resistant to Disasters**
You might be able to save on annual premiums by adding items that make your home more secure from disasters, such as storm shutters, shatter-resistant glass and reinforced roofing materials. You can also modernize internal systems to reduce the risk of damage from fire and water.

**Maintain a Good Credit Record**
Since more insurers are beginning to include your credit information in their application and pricing, try to maintain as good a credit record as possible to ensure the lowest possible rates — or to be sure you can secure coverage from your favorite provider.

**Stay with the Same Provider**
Many companies are beginning to recognize the value of long-term customers and claim-free records. Some insurers will reduce premiums based on loyalty. You should still occasionally compare your company’s offerings to other providers in the market so you can be sure you are receiving competitive rates.
Review Your Primary and Supplemental Coverage

As mentioned earlier, you should periodically review your insurance coverage to make sure it is keeping up with inflation and replacement costs. Also review things like supplemental endorsements and policies for items that are no longer worth their insured value or have been sold, donated, etc.

Seek Out Group or Other Discounts

Ask about specific discounts or special offers that may apply to you or your home. These might include such things as senior discounts for those over age 55 or special incentives for modernizing home electrical, plumbing, heating and cooling systems.

Also check with your auto, life, or long-term care insurer to see if any savings are available to you.

Choosing Homeowners Insurance for Mobile or Manufactured Homes

Homeowners that live in manufactured or mobile homes have often had to pay more for insurance coverage than other homeowners for the same amount of coverage. This is because mobile homes are at a higher risk of damage from wind. You should be prepared to shop around to find a policy that best suits your needs.

Major Pit Stop Ahead!

You’ve just rounded the bend and the road is wide open — so you can pick up speed. However, just ahead there is a gap in the road, and you’ll need to make a pit stop at the financial section — just in case you need a loan to bridge the gap. There are a number of loan product options ahead that may come in handy farther down the road to housing recovery. So, let the top down as you breeze along the Road to Housing Recovery.

Reducing the Cost of Mobile or Manufactured Home Insurance

As a mobile or manufactured home owner, there are things you may be able to do to keep the costs down, such as insulating and winterizing, securing the home to the ground with approved tie-downs and ground anchors, and installing security devices. The cost of mobile home insurance also depends on the age and type of mobile home you own. Doublewide and multiple-segment homes usually cost less to insure.
Definitions of Insurance Terms

**Actual Cash Value:** The fair market value of property; technically, replacement cost minus depreciation.

**Agent:** An individual who acts as a representative for one or more insurance companies and sells insurance, usually on a commission basis.

**Arbitration:** A process of settling a dispute through an impartial party. It is used as an alternative to litigation.

**Claim:** Any request or demand for payment under the terms of the insurance policy.

**Claimant:** Individual or entity presenting a claim.

**Claim Adjuster:** A person responsible for investigating and settling a claim.

**CLUE® Report:** Comprehensive Loss Underwriting Exchange (CLUE) report; provides claim history information.

**Collision Coverage:** Pays for damage to an insured vehicle when it hits or is hit by another car or object, or if the car overturns. This coverage is subject to the terms, limits, and conditions of your policy contract.

**Comprehensive Physical Damage Coverage:** Pays for damage to your car from theft, vandalism, flood, fire, or other covered perils. This coverage is subject to the terms, limits, and conditions of your policy contract.

**Declarations:** The part of your policy that includes your name and address; the property that is being insured, its location and description; the policy period; the amount of insurance coverage; and the applicable premiums.

**Deductible:** The portion of a claim you pay out-of-pocket. Choosing a higher deductible will lower your insurance premiums.

**Depreciation:** The decrease in value of any property due to wear, tear, and/or time. Generally, depreciation is not an insurable loss.

**Endorsement:** An addition to the basic policy contract. An endorsement adds to the policy contract.

**Field Adjuster:** An insurance adjuster who works primarily outside of an office and often meets personally with the public. Field adjusters can conduct face-to-face meetings, negotiations with claimants, scene investigations, and damage inspections.

**Floaters:** An add-on to your insurance policy to cover specific items that may be undercovered or excluded in your standard policy. Also known as a “Rider.”
Insurance Resource Guide

*Hazard:* Anything that increases the chance of an accident occurring.

*Homeowners Insurance:* Protects homeowners from losses to their homes, personal property, and some types of damage or injury to others for which the homeowner is liable. Homeowners insurance is subject to the terms, limits, and conditions of the policy contract.

*Independent Adjuster:* An individual who estimates losses on behalf of an insurance company, but is not an employee of that company.

*Inspection:* Verification of a vehicle’s physical condition.

*Insurance Score:* Used in the underwriting process in some states. An individual’s insurance score is frequently based, in part, on a person’s credit history.

*Insured:* A person or organization covered by an insurance policy.

*Insurer:* An organization that provides insurance.

*Liability:* Any legally enforceable obligation or responsibility for the injury or damage suffered by another person.

*Limit:* The maximum amount of protection purchased by the insured for a specific coverage.

*Loss:* Any measurable dollar cost of damage and/or injury suffered by a person.

*Loss of Use:* Compensation to a third-party claimant for financial consequences resulting from the inability to use property as the result of accident-related damage.

*Peril:* A danger or hazard that can cause a loss, for example, a car collision with an object, or a fire.

*Personal Property:* Property that is not land or connected to land (real estate), such as furniture or jewelry.

*Policy:* A contract between you and the insurance company.

*Premium:* The price of the insurance policy that the insured pays in exchange for insurance coverage.

*Property Damage Liability Coverage:* Pays for damage to someone else’s property resulting from an accident for which you are at fault and provides you with a legal defense. This coverage is subject to the terms, limits, and conditions of your policy contract.

*Umbrella Insurance:* Provides high limits of additional liability coverage above the limits of your homeowners and auto policy. In addition, it provides coverage that may be excluded by other liability policies.
Navigating the Road to Housing Recovery

The Financial Community: Bridging the Gap Through Financial Tools and Products

Your next stop on the road to housing recovery may include contacting your mortgage lender. The mortgage lender holds a lien on your home as security for your loan and must be notified in the event of any damage or losses to the property. In addition, you may be behind on your housing payments, or need to obtain a loan to buy or repair a home. Even people who qualify for assistance or who had insurance coverage when the hurricane hit may still need a loan to cover the financial gaps between the amount of available funds and the costs to repair or rebuild.

In this section of the guide we’ll look at some of the mortgage programs that lenders, federal agencies, and individual states have put in place to help you face the financial challenges of housing recovery. We’ll review available resources for homeowners with existing mortgages, and we’ll outline both standard and special loan programs that can help you buy, repair or rebuild your home.

When you’re ready for more detailed information and assistance, be sure to make a pit stop and check out the additional resources that are provided at the end of this section.

“Help — I Can’t Pay My Mortgage!”

Disasters often force us to make extremely difficult choices. Whether you like it or not, in times of crisis you may have to choose between paying for the necessities of life and maintaining timely payments to those whom you owe money. These difficult decisions can drive you to fall behind on bills, mortgages, car and credit card payments, and other debts.

Some people are unable to pay their mortgages right after the disaster but can catch up within a few months as their lives gradually return to normal. Others have reserves or sources of cash that help them maintain their obligations for a few months until savings and other funds run out.

While many lenders are patient and understanding in the aftermath of disasters, most expect customers to re-establish timely payments or stick with payment plans within a reasonable amount of time.

Don’t Delay; Talk with Your Lender

It is important for you to work with your lender if you are behind on your mortgage — this can reduce the possibility of foreclosure and eviction. The unfortunate truth is that most borrowers either avoid contact with their lenders altogether or wait until it’s too late to save their homes.

No matter what the circumstance, whether disaster or other life situations, it’s best to call your lender right away if you are having difficulty making your loan payments. Lenders have a number of ways they may be able to help. However, you need to talk to your lender early in the process, while there are still many options your lender can offer.
The financial community wants to support borrowers in the hurricane recovery process. When calling or talking with a mortgage lender, be sure to tell the customer service representative all of the details of your situation. If you need help, ask for it. If you are asked to do something, but are unable to do so, tell the customer service representative about your limitations. Mortgage lenders want to be helpful, but they need to know your circumstances in order to offer you the best options and help avoid foreclosure proceedings. The truth of the matter is that it costs a lot for everyone involved when a foreclosure occurs. Foreclosure is not a good solution for borrowers, communities, or mortgage lenders. In addition to speaking with your lender, you may also contact a housing or foreclosure prevention counselor for advice and guidance.

Next we discuss some of the ways to get through a problem with paying your mortgage, including:

- The NeighborWorks® Center for Foreclosure Solutions
- Loan modifications, forebearance, workouts, and other foreclosure prevention options
- HUD’s Mortgage Payment Assistance Program and its National Servicing Center
- Where to find a loan and the types of mortgage financing that are available
The NeighborWorks® Center for Foreclosure Solutions

The NeighborWorks® Center for Foreclosure Solutions was created by NeighborWorks® America and other partners to respond to rising national foreclosure rates. The increase in foreclosures hurts both the families involved and their neighborhoods.

NeighborWorks® America has joined forces with the Homeownership Preservation Foundation to promote a toll-free hotline — 888-995-HOPE (4673) — that offers free foreclosure prevention services and counseling to consumers. Also available is the Hope Loanport, a web-based tool designed to more efficiently assist homeowners at risk of foreclosure. Through this service, counselors can transmit applications directly to mortgage companies. Hope Loanport details are available at www.hopeloanportal.org.

The NeighborWorks® Center for Foreclosure Solutions recommends the following to borrowers who may be at risk of losing their homes:

- **If you know you’ll miss even one payment, notify the lender.**
  Calling when you are late by one or two payments is better than calling when you are three or four months late. There will likely be several options to help you over the bumps in the road as long as you contact the lender early in the game. Sometimes pride can get in the way of practicality. There is no shame in needing some extra help when faced with uncontrollable life circumstances.

- **Stay on top of home repairs and maintenance.**
  NeighborWorks® organizations provide workshops and counseling about repairs and maintenance of a home. They may also have home rehabilitation specialists on staff who help families who want to rehab their homes. These rehabilitation specialists can make sure you get the best work for your money, and may even be able to serve as a project manager for a major repair or improvement. Many NeighborWorks® organizations also have affordable loan products designed to cover the costs of repairs. Too often, homeowners are pushed into foreclosure by emergency repairs that stretch their budget to the breaking point, or by unethical contractors who strip the homeowners’ equity by overcharging for services and leaving them with debt they cannot handle.

- **Work it out.**
  Depending on the situation, the lender may lower the interest rate, lower the monthly payment, or enter into a repayment agreement for missed payments. Be sure to consider contacting a local housing or foreclosure prevention counselor if you need assistance dealing with your mortgage lender. Sometimes housing counselors can advocate on your behalf to negotiate reasonable repayment options with your servicer in an effort to avoid foreclosure. You may also want to consider refinancing your existing mortgage, since your local housing counseling agency may have access to more affordable loan products.
Work with Your Lender or Loan Servicer to Prevent Foreclosure

Remember, foreclosure is avoidable. The following options may be available, especially if you begin working with your lender early in the process of your financial difficulties:

- **Forbearance** — You are allowed to delay payments for a short period, with the understanding that another option will be used afterwards to bring your mortgage up-to-date.

- **Reinstatement** — This is when you are behind in your payments, but you can promise a lump sum to bring your mortgage up-to-date by a specific date.

- **A repayment plan** — If your account is past due, but you can now make payments, the lender may agree to let you catch up by adding a portion of the past-due amount to each monthly payment until your account is current.

- **Modifying your mortgage** — You and your lender can renegotiate your mortgage to extend the term (length) of your loan or take other steps to reduce your payments. One potential solution is to add the past due amount into your existing loan, and finance it over a longer term.

- **Selling your home** — If catching up on payments is not possible, the lender might agree to put foreclosure on hold to give you some time to try to sell your home.

- **Property give-back/Deed in Lieu of Foreclosure** — You may request that the lender allow you to give back your property — and then forgive the debt. While give-backs do hurt your credit rating, they don’t hurt as much as a foreclosure. The lender might require that you attempt to sell the house for a specific time period before agreeing to this option, and it might not be possible if there are other liens (mortgages or other debts) against the home.

**HUD Foreclosure Prevention — Check It Out!**

There are a number of programs administered through the U.S. Treasury Department and HUD to assist homeowners who are at risk of foreclosure and otherwise struggling with their monthly mortgage payments. A summary of these various programs can be found on HUD’s website [http://portal.hud.gov/hudportal/HUD?src=/topics/avoiding_foreclosure](http://portal.hud.gov/hudportal/HUD?src=/topics/avoiding_foreclosure). On this site, you can explore options such as loan modification and refinancing, find links to HUD foreclosure prevention counselors, and other useful information. Distressed homeowners are encouraged to contact their lenders and loan servicers directly to inquire about foreclosure prevention options that are available. If you are experiencing difficulty communicating with your mortgage lender or loan servicer about your need for mortgage relief, you can also find information about and links to organizations that can help contact lenders and servicers on your behalf at the webpage listed above.
For FHA loans, HUD’s National Servicing Center (NSC) works with lenders to find ways to avoid foreclosure on borrowers’ mortgages. Information and frequently asked questions (FAQ’s) for both lenders and borrowers regarding FHA loan servicing and preventing foreclosure are available at www.hud.gov/offices/hsg/sfh/nsnscs/home.cfm or by calling 877-622-8525. Search for HUD-approved foreclosure prevention counselors at www.hud.gov/offices/hsg/sfh/hcc/fc/.

HUD Relief for certain FHA, Fannie Mae and Freddie Mac Mortgages

If your loan is owned by Fannie Mae or Freddie Mac, you may be eligible for a loan modification or forebearance. Also, for those homes located within the Federally Declared Disaster (FDD) zone, HUD has instituted a 90-day moratorium on foreclosures of Federal Housing Administration (FHA) insured mortgages.

Time to Rebuild or Repair — Where Can I Get a Loan?

Once you’ve settled your insurance claim, you’re ready to begin the process of repairing or rebuilding your home. Is your home completely destroyed or does your neighborhood still remain uninhabitable? If so, you may need a loan to cover the financial gaps — or you may be interested in buying or building in another area.

It is impossible to give a list of available loan products within the pages of this guide. This section provides the name and a brief description of widely available national and state products that might make sense for disaster survivors. For ease in locating products that might best suit your needs, we’ve grouped them into four broad categories:

- Low Down Payment Programs
- Construction and Renovation Programs
- Special Programs for Disaster Survivors
- Consumer Loans for Disaster Survivors

We’ll briefly outline the features and benefits of standard and custom national products. In addition, New Jersey and New York are responding to Hurricane Sandy by adding special benefits for disaster survivors in their first-time homebuyer and affordable mortgage programs, so keep checking your local resources to see what might be available to you.

Low Down Payment Programs

Low down payment programs come with many options and features that make them even more attractive for borrowers with limited funds. Some of these loans will allow you to purchase a home with less than a $500 down payment or even no down payment at all!

Alert: Brake Hard Here!

If the lists of loan program features and descriptions contain terms that you don’t understand, don’t worry — help is available. You can contact a housing counselor or attend a homebuyer education workshop to learn about the mortgage terms. This will help you be in the “driver’s seat” when it comes to “walking the walk” and “talking the talk.” Access to a whole network of housing counselors is right at your fingertips — it’s located along Route 4 in the New Jersey and New York Resource Guides.

Alert: Loan Products

You’ll definitely want to check out the Loan Product Matrix located at the back of this section to get a sense of the types of loan programs that may be available to you.
A variety of low down payment conventional loan programs is available, and FHA has always been a good source for affordable loan programs. Some of these programs even have special relaxed guidelines for targeted borrowers, such as police, fire, and hospital workers.

**Fannie Mae’s My Community Mortgage℠ Product Suite**

The My Community Mortgages (MCM) help lenders serve America’s increasingly diverse population of low- and moderate-income borrowers. This menu of products is offered with several options and with flexible terms. A few of the key features of these products include:

- Minimum down payment of 0 to 5%, depending on the borrower and the number of units in the property. For a single unit property, the minimum down payment is zero dollars from the borrower with a maximum 97% LTV, 3% can come from another acceptable source. For a 2-4 unit property, the maximum LTV 95%, the borrower must contribute 3% the remaining 2% can come from another acceptable source.
- Financing up to 100% of the value of the property
- Flexibility related to credit history; nontraditional credit history accepted
- Special options for teachers, police officers, firefighters, and health-care workers
- Special options for the disabled

**Freddie Mac Home Possible℠ Mortgage Product Suite**

Freddie Mac’s Home Possible℠ Mortgage is designed for first-time homebuyers, and minority, new immigrant and low- to moderate-income borrowers. It provides you with a low down payment and flexible credit terms to make it easier for you to qualify. A few of the key features of these products include:

- Minimum down payment of 5%
- Available in fixed-rate and adjustable-rate mortgages
- Flexibility related to credit history
- Second mortgages allowed under certain circumstances.
Navigating the Road to Housing Recovery

- Flexible income limits for underserved communities (hurricane-affected areas apply)
- No cash reserves required
- Homebuyer education is required (some exceptions apply)

**FHA 203(b) Mortgage Insurance Program**

Section 203(b) is the centerpiece of FHA’s single-family mortgage insurance programs and is the most commonly used program. It is available in all areas of the country. It may be used to purchase or refinance a new or existing one- to four-family home in either urban or rural areas, including manufactured homes on permanent foundations.

FHA-insured mortgages offer many benefits and protections that only come with FHA:

- **Easier to qualify** — Because FHA insures your mortgage, lenders may be more willing to give you loan terms that make it easier for you to qualify.

- **Less-than-perfect credit** — You don’t have to have a perfect credit score to get an FHA mortgage. In fact, if you have had credit problems, such as a bankruptcy, it’s easier for you to qualify for an FHA loan than a conventional loan.

- **Low down payment** — FHA loans require a low down payment, and that money can come from a family member, employer or charitable organization as a gift. Other loan programs don’t allow this.

- **Costs less** — FHA loans have competitive interest rates because the federal government insures the loans. Always compare an FHA loan with other loan types.

- **Helps you keep your home** — Should you encounter hard times after buying your home, FHA has many options to help you keep your home and avoid foreclosure.

FHA does not provide direct financing, and it doesn’t set the interest rates on the mortgages it insures. For the best interest rate and terms on a mortgage, you should compare mortgages from several different lenders. In order to start the loan application process, please contact an FHA-approved lender.
Construction and Renovation Programs

If your home needs extensive repairs or has to be completely rebuilt, you’ll want to examine these construction, renovation and home improvement loans. Some allow you to purchase or refinance your existing mortgage and build the cost of repairs into the loan.

In this section we’ll review the following products:

- Fannie Mae HomeStyle® Renovation Mortgage
- Freddie Mac Renovation Mortgages
- FHA 203(k) Rehabilitation Mortgage
- HUD Title 1 Program
- RHS Homeownership Direct Loan Program (Section 502)
- RHS Mutual Self-Help Housing Loans (Section 502)
- RHS Guaranteed Rural Housing Loan Program (Section 502)
- RHS Very Low Income Housing Repair Program

**Fannie Mae HomeStyle® Renovation Mortgage**

The HomeStyle® Renovation Mortgage allows the borrower to combine home purchase or refinance with the cost of renovating or repairing the home — in one loan and with one closing. Instead of financing the renovation with a second mortgage or home equity loan, you get the lower interest rate of a first mortgage and only have to pay for one mortgage closing. You can also borrow an amount based on the value of the home after the renovations are finished, so you know you will have the funds available to do the job right.

Other costs related to a renovation may be added to the loan amount. For example, you can even finance the rent on another home or apartment to live in while the renovations take place. For home purchases, the loan amount can be based on the costs of the renovation project or on the “as-completed” value of the home after the renovations are finished. That means you can borrow more than the home’s current value, knowing its value will increase after the improvements are finished.
**Freddie Mac’s Renovation Mortgages**

This product helps serve borrowers who need cash to repair, restore, rehabilitate or renovate existing homes, or to make improvements to a home they are buying. Freddie Mac’s Renovation mortgages offer a single mortgage with one set of closing costs to cover both purchase and rehabilitation, and allow up to six months of principal, interest, taxes and insurance covered by financing if the home is temporarily uninhabitable. A wide variety of rehabilitation for homes is covered.

**FHA 203(k) Rehabilitation Mortgage**

The FHA 203(k) Rehabilitation Mortgages can finance the purchase and rehabilitation of a home being purchased. This reduces costs for the borrower because only one closing is required. It also has several attractive advantages. HUD has recently released a “streamlined” version of this product that is less restrictive, so be sure to check it out as well. Key features include:

- Options for 15-year and 30-year fixed-rate mortgages
- Can be used to finance one- to four-unit owner-occupied primary residences
- One mortgage covers both purchase and rehabilitation
- Also available for those who want to refinance an existing mortgage and rehab or make improvements to the property

**HUD’s Title 1 Program**

The Title 1 program is for light or moderate rehabilitation of properties, as well as the construction of nonresidential buildings on the property. This program may be used to insure such loans for up to 20 years on either single-family or multifamily properties. The maximum loan amount is $25,000 for improving a single-family home or for improving or building a nonresidential structure.

Only lenders approved specifically for this program by HUD can make loans covered by Title 1 insurance. While most lenders and contractors use this program responsibly, HUD urges consumers to use caution in choosing and supervising contractors conducting Title 1 repair or renovation work.
RHS (Rural Housing Services) Homeownership Direct Loan Program (Section 502)

Section 502 loans are used to help low-income households purchase homes. They can be used to build, repair, renovate or relocate homes, or to purchase and prepare sites — including providing water and sewage facilities.

The Housing Assistance Council, a nonprofit corporation devoted to rural affordable housing, is a great resource for rural housing and loan program information. It offers the following guidance on Rural Housing Services loan programs at its website, www.ruralhome.org.

- Loan terms can be up to 38 years.
- The loan can be used to purchase or rehabilitate a manufactured home.
- There is no down payment requirement.

Contact your Rural Development State Office to find out the location of the local office closest to you, or visit www.rurdev.usda.gov/hsf_sfh.html. You may also call 202-690-1533 or TTY, 800-877-8339.

RHS Mutual Self-Help Housing Loans (Section 502)

The Section 502 Mutual Self-Help Housing Loan program (a variation on the regular Section 502 Homeownership program) is for families who are unable to buy decent, safe, and sanitary housing through conventional methods. Families in this program — a mutual self-help project — do a substantial amount (approximately 65%) of the construction labor on each other’s homes, under supervision. The savings from the reduced labor costs allow these families to own their homes. If families cannot meet their mortgage payments during the construction phase, the payments can be included in the loan.

RHS Guaranteed Rural Housing Loan Program (Section 502)

The Section 502 Guaranteed Rural Housing Loan Program serves rural residents who have steady, low, or modest income, and yet they can't get adequate housing through conventional financing.

These loans enable low-income and moderate-income rural residents to acquire modestly priced housing by buying a new or existing house, or buying a new manufactured home.

In this variation of the Section 502 program, RHS does not make a loan directly to an eligible borrower, but guarantees a loan made by a commercial lender. This guarantee substantially reduces the risk for lenders, thus encouraging them to make loans to rural residents who have only modest incomes and little collateral.
Interested borrowers should contact their local Rural Development office for more information on the program and a list of approved lenders. The loan application itself is made with the approved lender, and is subject to their schedule for loan approval.

**RHS Rural Repair and Rehabilitation Loan and Grant Program (Section 504)**

The Very Low-Income Housing Repair program provides loans and grants to very-low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. Key features of this program include:

- Loans of up to $20,000
- Loan terms up to 20 years at 1 percent interest
- Grants of up to $7,500
- Grants are only available to homeowners who are 62 years old or older

**Special Programs for Disaster Survivors**

HUD and other federal and state agencies have introduced some special programs for disaster survivors. Other investors like Fannie Mae and Freddie Mac have also relaxed some requirements on their standard loan programs for survivors of disasters. See page 73 for more information.

In this section we’ll outline some of these types of loans. Be sure to check with your local lender or state housing finance agency to see what you might be eligible for. We’ll examine the following programs and products along this section of the road to housing recovery:

- FHA 203(h) Disaster Loan Program
- FEMA Home Repair Assistance Program
- SBA Home Disaster Loan

**FHA 203(h) Disaster Loan Program**

The Section 203(h) program is offered through lenders to survivors of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.

Through this program, the federal government helps survivors in special disaster areas designated by the president. The program makes it easier for disaster survivors to get mortgages and become homeowners or to re-establish themselves as homeowners.
People are eligible for this program if their homes are located in an area that was designated by the President as a disaster area and if their homes were destroyed or damaged to such an extent that reconstruction or replacement is necessary. These loans may be used to finance the purchase or reconstruction of a one-family home that will be the principal residence of the homeowner. The new home can be located anywhere in the country. Key features include:

- **No down payment is required** — The borrower is eligible for 100% financing.
- **Some fees are limited** — FHA rules impose limits on some of the fees that lenders may charge in making a mortgage.

This product is available only through FHA-approved lending institutions, such as banks, mortgage companies, and savings and loan associations.

More details on this program are at [http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ins/203h-dft](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ins/203h-dft). To locate a participating lender, go to that Web page, scroll down to the last paragraph, and click on the link for “contact a HUD-approved lender.” You can also call toll-free at 800-569-4287.

**FEMA Home Repair Assistance Program**

Through its Home Repair Assistance program, FEMA provides grants to homeowners whose primary residences require only a little repair in order to make them livable or accessible. The repairs must be able to be completed within 30 days of the start of work, cannot exceed a maximum repair amount set by FEMA, and must be necessary as a result of damage from the hurricane.

If you apply for Home Repair Assistance, FEMA will inspect your home and base the amount of its grant on the reasonable cost of repair to the damaged property. Repairs covered by Home Repair Assistance may include:

- Plumbing, electrical systems, heating systems, air conditioning
- Septic systems and water wells
- Windows, doors, roof, and floor
- Outside walls, roofs, home foundations
- Repairs necessary to provide access to a residence
- Repairs necessary to eliminate health and safety hazards

If you own a mobile home and it is your primary residence, Home Repair Assistance does cover repair costs related to blocking, leveling and anchoring the mobile home.
**SBA Home Disaster Loan**

The Small Business Administration provides low-interest, long-term loans to repair or replace a primary residence owned by a survivor in a federally declared disaster area. The SBA loan, which may be as much as $200,000, can be used to repair or replace eligible real property, to pay third parties (not family members) to remove debris from the property, or to rent equipment necessary for clean-up.

Key features of the SBA Home Disaster Loan include:

- A homeowner or renter may apply for a personal property loan of up to $40,000 to help repair or replace personal property such as clothing, furniture, cars, etc., that was lost or damaged in the disaster.
- A homeowner may apply for a loan of up to $200,000 to repair or restore his or her primary home to its predisaster condition.
- If city or county building codes require structural improvements (or raising the level of the living area), the loan may be used to meet these requirements. Loans to repair or replace real property may be increased by as much as 20% for mitigation measures to protect the property from possible future disasters of the same kind.
- If you already have a mortgage loan and can’t afford an additional payment, SBA may refinance all or part of your existing mortgage(s).
- You do not have to wait to obtain an insurance settlement to file your application with SBA.
- If you cannot get a loan elsewhere, the maximum annual interest rate for your SBA loan will not exceed 4%. If you can get a loan elsewhere, the interest rate will not exceed 8%. SBA determines whether or not you can get a loan elsewhere.
- The SBA’s goal is to decide on each application within 14 days.

For more information, call the SBA at 800-659-2955, email disastercustomerservice@sba.gov or visit the SBA website at www.sba.gov.

**HUD Relief for certain FHA, Fannie Mae and Freddie Mac Mortgages**

If your loan is owned by Fannie Mae or Freddie Mac, you may be eligible for a loan modification or forbearance. Also, for those homes located within the Federally Declared Disaster (FDD) zone, HUD has instituted a 90-day moratorium on foreclosures of Federal Housing Administration (FHA) insured mortgages.
For further information about your mortgage, contact the National Servicing Center at 877-622-8525. For other questions, contact the FHA Resource Center at 800-CALL-FHA (800-225-5342) or email: answers@hud.gov.


Check to see if Freddie Mac owns your loan at: [www.freddiemac.com/mymortgage](http://www.freddiemac.com/mymortgage). Additional assistance? Call 1-800-FREDDIE (1-800-373-3343) and select option #2, or go to: [www.freddiemac.com](http://www.freddiemac.com) and click on the Hurricane Sandy Relief link.

**Stop to See Lots of Program Details in Financial Resource Guide**

Check out the Loan Product Matrix at the end of this section for more information on specific affordable, disaster recovery loan programs.

**Are There Other Resources That Can Help Me?**

Many individuals affected by Hurricane Sandy need grants or other types of financial assistance to complete the purchase or renovation of their homes. Remember, new programs and modified terms are being introduced all the time. Be sure to check with your local housing counseling agency, your state housing finance agency or a trusted local lender about assistance programs that are currently available in your market. Some programs may be available only temporarily or immediately after a disaster.

**Special Tax Considerations**

While it is well beyond the scope of this publication to offer specific tax advice, you should be aware of general tax changes for those affected by the hurricanes. Visit [www.irs.gov/uac/Newsroom/Help-for-Victims-of-Hurricane-Sandy](http://www.irs.gov/uac/Newsroom/Help-for-Victims-of-Hurricane-Sandy) for information on tax relief and guidance.

**Claim the Earned Income and Child Tax Credits**

Many individuals and families affected by Hurricane Sandy have experienced a major decline in income, with jobs wiped out along with homes or earnings dramatically reduced. If you worked during the year but your income is below a certain amount, you can claim the Earned Income Tax Credit (EITC) when you file your taxes. The EITC is a tax credit for eligible working families that provides tax refunds of up to $5,891 for tax year 2012. You may also be eligible to claim the Child Tax Credit of $1,000 for each child in your family.
Applying for the EITC is part of filing your federal taxes. Free help with preparing your taxes is available at Volunteer Income Tax Assistance (VITA) centers around the country. By visiting a VITA center, you will pay no charges for your tax preparation and you’ll receive the full amount of your refund. This benefits you far more than using a company that charges to prepare your taxes and charges you fees and interest for a “refund anticipation” loan. Some of these companies charge up to 300% annual interest on refund anticipation loans! Call 800-906-9887 to find the location of the VITA center in your area, or go to www.irs.gov/Individuals/Find-a-Location-for-Free-Tax-Prep.

**Slow Down and Pick Up Your Roadside Crew!**

This section of the road may have left you needing a well deserved break, so be on the lookout for a rest center. As you’ve probably figured out by now, there are lots of options in terms of loan programs and grants for families who need assistance in covering the financial gaps between their available funds and the costs to rebuild or repair. When you are rested up, don’t forget to check out the Loan Product Matrix in the Financial Resource Guide, next. It is a more detailed description of the products and programs we’ve covered in this section. In addition, a few key contacts are listed starting on the next page. All of these organizations can provide information and publications about affordable loan products to help you on your road to housing recovery.
Financial Resource Guide

National Resources

Fannie Mae
3900 Wisconsin Avenue, NW
Washington, DC 20016
Telephone: 800-7FANNIE or 800-732-6643
Website: www.fanniemae.com

Freddie Mac
Headquarters I (PHO I)
8200 Jones Branch Drive
McLean, VA 22102-3110
Telephone: 703-903-2000
Website: www.freddiemac.com

HUD
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410
Telephone: 202-708-1112
TTY: 202-708-1455
Website: www.hud.gov

State Resources

New Jersey

New Jersey Housing and Mortgage Agency
637 South Clinton Avenue
Trenton, New Jersey 08611
Consumer Hotline: 800-NJ HOUSE (800-654-6873)
Website: www.njhousing.gov

New Jersey Housing Resource Center
Telephone: 877-428-8844
Website: www.njhrc.gov

New York

New York State Homes and Community Renewal (Albany)
Hampton Plaza
38-40 State Street
Albany, New York 12207

New York State Homes and Community Renewal (New York City)
25 Beaver Street
New York, NY 10004
Toll-free: 866-ASK-DHCR (866-275-3427)
Website: www.nyshcr.org
Bank Regulators by State
State bank regulators often publish guidelines for banks to follow after a major disaster, setting out how matters should be handled. Contact state offices to find out what these guidelines are.

New Jersey

New Jersey Department of Banking and Insurance
Main Address:
P.O. Box 040
Trenton, NJ 08625-0040

Street Address:
20 West State Street
Trenton, NJ 08635-0040
Telephone: 609-292-7272
Consumer Hotline: 800-446-7467
Website: www.state.nj.us/dobi

Newark Consumer Center
153 Halsey Street
Newark, NJ 07102
Telephone: 973-648-4713
FAX: 973-648-4325
Website: www.state.nj.us/dobi/division_consumers/consumerctr_newark.htm

New York

New York State Department of Financial Services
One State Street Plaza
New York, NY 10004-1511
Telephone: 212-709-3530
Website: www.dfs.ny.gov
## Loan Product Matrix for Loan Products Offered Nationally

<table>
<thead>
<tr>
<th>Product Name</th>
<th>My Community Mortgage</th>
<th>HomeStyle Renovation with Community Lending Features</th>
<th>HomeStyle Construction to Permanent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lender or Sponsor Name</strong></td>
<td>Fannie Mae</td>
<td>Fannie Mae</td>
<td>Fannie Mae</td>
</tr>
<tr>
<td><strong>Eligible Property Types?</strong></td>
<td>Owner-occupied, one-unit primary residence, including condos, co-ops and PUD’s; no manufactured housing. Owner-occupied 2-4 unit (no 2-4 unit condos, co-ops, or manufactured housing).</td>
<td>Limited to 1 and 2 unit property unless otherwise approved.</td>
<td>1 and 2 units; no manufactured housing; approved condos.</td>
</tr>
<tr>
<td><strong>Renovations or Repairs Allowed?</strong></td>
<td>With Community Home Choice (for persons with disabilities) and Energy Efficient options.</td>
<td>Yes (combines home purchase or refinance with home improvement financing in one loan with one closing).</td>
<td>New construction (finances the purchase of lot or land, construction of a new home, and a permanent mortgage at one time in single loan).</td>
</tr>
<tr>
<td><strong>New Construction?</strong></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Loan Types?</strong></td>
<td>Purchase or limited cash out refinance.</td>
<td>Purchase or limited cash out refinance.</td>
<td>Purchase or refinance.</td>
</tr>
<tr>
<td><strong>Loan Term?</strong></td>
<td>Up to 40 years (40-year term as of 8/06).</td>
<td>15 to 30 years</td>
<td>15 to 30 years</td>
</tr>
<tr>
<td><strong>Borrower or Household Income Restrictions?</strong></td>
<td>100% of AMI with exceptions for certain areas.</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Geographic Restrictions?</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Down Payment or Minimum Investment?</strong></td>
<td>Zero to 5%, depending on the borrower and number of units</td>
<td>Minimum 5%, eligible for 3/2 option.</td>
<td>5% to 20%, depending on number of units, investor properties and DU findings.</td>
</tr>
<tr>
<td><strong>Other Program Features or General Information</strong></td>
<td>Pre-purchase counseling required for some buyers</td>
<td>Nonprofits are not eligible to use any community lending features.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>To Find Out More</strong></td>
<td>Check with participating lender.</td>
<td>Check with participating lender.</td>
<td>Check with participating lender.</td>
</tr>
<tr>
<td>Product Name</td>
<td>Home Possible</td>
<td>FHA 203(b)</td>
<td>FHA 203(k)</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------</td>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Lender or Sponsor Name</strong></td>
<td>Freddie Mac</td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td><strong>Eligible Property Types?</strong></td>
<td>1- to 4-unit primary residences, including condos and PODS units; manufactured homes</td>
<td>1-4 units, condo's, PUD's</td>
<td>1 to 4 units. Can also be used to convert or add to the number of units. Limited commercial space is also allowed with exceptions. Condos are limited to 4 units per building.</td>
</tr>
<tr>
<td><strong>Renovations or Repairs Allowed?</strong></td>
<td>No</td>
<td>Yes, with Energy Efficient Mortgage (EEM)</td>
<td>Borrowers can finance the purchase or the rehab or refinance of an existing home, through a single mortgage.</td>
</tr>
<tr>
<td><strong>New Construction?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No. Property must be at least 1 year old.</td>
</tr>
<tr>
<td><strong>Loan Types?</strong></td>
<td>Purchase and no-cash out refinance</td>
<td>Purchase or refinance.</td>
<td>Purchase or refinance with renovation. Can also be used for relocation of home.</td>
</tr>
<tr>
<td><strong>Loan Term?</strong></td>
<td>15-, 20- and 30-year fixed rate.</td>
<td>15 or 30 years</td>
<td>15 or 30 years</td>
</tr>
<tr>
<td><strong>Borrower or Household Income Restrictions?</strong></td>
<td>Borrowers must meet area median income limits unless in an underserved area. Loan prospector will indicate home eligibility.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Geographic Restrictions?</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Down Payment or Minimum Investment?</strong></td>
<td>No minimum down payment amount required.</td>
<td>Minimum 3.5%, but can be a gift.</td>
<td>Minimum 3.5%, but can be a gift.</td>
</tr>
<tr>
<td><strong>Other Program Features or General Information</strong></td>
<td>Neighborhood Solution and Affordable Seconds.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>To Find Out More</strong></td>
<td>Check with participating lender.</td>
<td>Check with participating lender.</td>
<td>Check with participating lender.</td>
</tr>
</tbody>
</table>
### Loan Product Matrix for Loan Products Offered Nationally (continued)

<table>
<thead>
<tr>
<th>Product Name</th>
<th>FHA Streamlined 203(k)</th>
<th>Title 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lender or Sponsor Name</strong></td>
<td>HUD</td>
<td>HUD</td>
</tr>
<tr>
<td><strong>Eligible Property Types?</strong></td>
<td>1 to 4 units. Can also be used to convert or add to the number of units. Limited commercial space is also allowed with exceptions. Condos are limited to 4 units per building.</td>
<td>1 to 4 units.</td>
</tr>
<tr>
<td><strong>Renovations or Repairs Allowed?</strong></td>
<td>Allows homebuyers to finance up to an additional $35,000 into their mortgage to improve or upgrade their home before move-in.</td>
<td>Designed for small repair or home improvement loans up to $25,000 for a single-family home.</td>
</tr>
<tr>
<td><strong>New Construction?</strong></td>
<td>No. Property must be at least 1 year old.</td>
<td>No. Property must be at least 1 year old.</td>
</tr>
<tr>
<td><strong>Loan Types?</strong></td>
<td>Purchase or refinance with renovation. Can also be used for relocation of home.</td>
<td>Home improvement loan.</td>
</tr>
<tr>
<td><strong>Loan Term?</strong></td>
<td>15 or 30 years</td>
<td>Up to 20 years</td>
</tr>
<tr>
<td><strong>Borrower or Household Income Restrictions?</strong></td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Geographic Restrictions?</strong></td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Down Payment or Minimum Investment?</strong></td>
<td>Minimum 3.5%, but can be a gift.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td><strong>Other Program Features or General Information</strong></td>
<td>N/A</td>
<td>—</td>
</tr>
<tr>
<td><strong>To Find Out More</strong></td>
<td>Check with participating lender.</td>
<td>Check with participating lender.</td>
</tr>
</tbody>
</table>
### Loan Product Matrix for Loan Products Offered Nationally (continued)

<table>
<thead>
<tr>
<th>Product Name</th>
<th>FHA 203(h)</th>
<th>Hurricane Disaster Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lender or Sponsor Name</strong></td>
<td>HUD</td>
<td>Small Business Administration</td>
</tr>
<tr>
<td><strong>Eligible Property Types?</strong></td>
<td>Single-family homes.</td>
<td>Single-family homes.</td>
</tr>
<tr>
<td><strong>Renovations or Repairs Allowed?</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>New Construction?</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Loan Types?</strong></td>
<td>Purchase or reconstruction of a one-family home.</td>
<td>Repair and renovation. Refinances and relocation allowed in some instances.</td>
</tr>
<tr>
<td><strong>Loan Term?</strong></td>
<td>15 or 30 years</td>
<td>30 years</td>
</tr>
<tr>
<td><strong>Borrower or Household Income Restrictions?</strong></td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Geographic Restrictions?</strong></td>
<td>Borrower must have lived in a Presidentially-declared disaster area but the new property can be located anywhere in the US.</td>
<td>Must be Presidentially declared disaster area.</td>
</tr>
<tr>
<td><strong>Down Payment or Minimum Investment?</strong></td>
<td>No down payment is required.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td><strong>Other Program Features or General Information</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>To Find Out More</strong></td>
<td>Check with participating lender.</td>
<td>Check with local SBA office.</td>
</tr>
</tbody>
</table>
## Loan Product Matrix for Loan Products Offered Nationally (continued)

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Homeownership Direct Loan Program (Section 502)</th>
<th>Guaranteed Rural Housing Loan Program (Section 502)</th>
<th>Very Low Income Housing Repair Program (Section 504)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lender or Sponsor Name</td>
<td>Rural Development</td>
<td>Rural Development</td>
<td>Rural Development</td>
</tr>
<tr>
<td>Renovations or Repairs Allowed?</td>
<td>For purchase, and to build, repair, renovate, or relocate homes, or to purchase and prepare sites. May be used to refinance debts when necessary to avoid losing a home or to make rehab affordable.</td>
<td>Yes</td>
<td>Loans and grants to very-low-income homeowners to repair, improve or modernize their dwellings or to remove health and safety hazards. Grants are for elderly homeowners only.</td>
</tr>
<tr>
<td>New Construction?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Loan Types</td>
<td>Purchase and cash-out refinances.</td>
<td>Purchase only.</td>
<td>Home repair and improvement only.</td>
</tr>
<tr>
<td>Loan Term</td>
<td>30 years (manufactured homes); 33 years (other single-family homes), except 38 years for borrowers with incomes &lt;60% of area median.</td>
<td>30 years</td>
<td>20 years</td>
</tr>
<tr>
<td>Borrower or Household Income Restrictions?</td>
<td>Yes. Limited to 80% AMI or less.</td>
<td>Yes. Maximum 115% of AMI.</td>
<td>Yes. At or below 50% AMI.</td>
</tr>
<tr>
<td>Geographic Restrictions?</td>
<td>Rural areas.</td>
<td>Rural areas.</td>
<td>Rural areas.</td>
</tr>
<tr>
<td>Down Payment or Minimum Investment?</td>
<td>Can be 0%. Set by state and local offices.</td>
<td>Can be 0% down payment. Determined by first-mortgage program.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>Other Program Features or General Information</td>
<td>Check with state Housing Finance Agencies partnerships with Rural Development.</td>
<td>See first-mortgage program.</td>
<td>Grant is subject to repayment if property is sold within 3 years of receiving assistance.</td>
</tr>
<tr>
<td>To Find Out More</td>
<td>Check with local Rural Development office.</td>
<td>Check with local Rural Development office.</td>
<td>Check with local Rural Development office.</td>
</tr>
</tbody>
</table>
Housing and Other Providers: Meeting the Rest of the Team

So far on the road to housing recovery you’ve learned about FEMA assistance, state and local assistance programs, and the insurance and financial industries. Now you’re ready to take the next leg of the journey. You may be planning to rent, to buy a property, or to repair or rebuild a house you already own. If that’s the case, this pit stop along Route 2 will provide a host of helpers that will make excellent travel companions along your road to housing recovery.

In the coming months, more resources will become available, and we will know better where rebuilding can take place and what you can do (or must do) to protect your home from future flooding. We’ll also know more about new opportunities to get assistance with disaster recovery.

In this section we introduce you to additional members of your “roadside assistance crew” — the websites, agencies and service providers who can help you. What they have to offer you today may be different from what they can offer you a week or a month from now. Check in with them regularly to see what’s new.

“I’m Ready To Go: Where Do I Start?” is for people who have decided on the course they want to take for their housing recovery and who are looking for help in navigating that course. This section describes the agencies and organizations and their role in helping you with your housing issues. Most of these relate to housing, but clearly Hurricane Sandy caused other problems as well. At the end we introduce you to the types of organizations that can help you connect to other needed resources.

Stop by the Resource Guide in Route 4

Don’t forget to explore the New Jersey and New York Resource Guides in Route 4. They will tell you how to contact the local agencies or organizations offering the assistance you need.

So many individual cities, towns and counties were affected by the storm that listing contact information for each would make this guide too long. Instead, we have chosen to list toll-free numbers, websites and other sources that can steer you to helpful information.

The road to housing recovery is not an easy one, but we hope this guide will help you plot the most direct route and avoid some hazards along the way. Good luck, and safe traveling!
“I’m Not Ready for the Road to Housing Recovery!”

Does even the thought of beginning the road to housing recovery leave you overwhelmed and confused? If so, you are certainly not alone. Often the best way to get going is to get the answers to a few fundamental questions first. Below you’ll find a list of questions and answers that just might remove a few of the initial roadblocks. And if you are still not sure you’re ready, this section of the guidebook is full of resources you can tap in preparing for your journey.

Q. I lost my copy of my deed, lease, insurance and other important documents — how do I replace them?

A. Go to [www.governor.ny.gov/resources/storm#lostdocument](http://www.governor.ny.gov/resources/storm#lostdocument), for help in New York or call the New Jersey Disaster Legal Services hotline at 888-541-1900 for some excellent advice on how to replace lost documents. Call your insurance company to get a copy of your insurance policy. If you’re not sure how to contact your company, go to the Resource Guides for contact information for your state’s department of insurance.

Q. I still owe money on a house that got damaged or destroyed by the storm. I can’t afford that payment now on top of my current rent. What do I do?

A. First of all, remember that even if your home has suffered damage or perhaps no longer exists, your property still has value.

If you walk away from your home or property and you had a mortgage payment before the storm, you are still responsible for making those payments after the storm. If you abandon your property or stop making your payments, foreclosure may occur. Foreclosure is the legal process your lender can use to take back your home and try to recover what you owe. If this happens, you must move out and the lender will sell your home. If the property is worth less than the amount you owe, you will have to pay the lender the difference.

If you do not pay back what you owe, the lender may seek a judgment against you in court. Both foreclosures and judgments will show up on your credit report, and this will make it harder for you to borrow money or rent an apartment in the future. Avoid property abandonment or foreclosure if at all possible!
What should you do?

• Do not ignore letters from your lender! If you are having problems making your payments, call or write to your lender right away. Explain your situation. Be prepared to provide them with financial information, such as your monthly income and expenses. They will need this information to work out a plan with you.

• If at all possible, stay in your home for now — this may be important in qualifying for assistance.

• Contact a HUD-approved housing counseling agency for free help in thinking through your options. To search for an agency near you visit www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm. In addition, the first page of each state Resource Guide in Route 4 has guidance information on how to find the housing counseling agency nearest you.

• Along with looking for a HUD-approved housing counseling agency, you may also look for a counseling agency that meets the requirements of The National Industry Standards for Homeownership Education and Counseling, which are a set of guidelines for quality homeownership and counseling services. Counseling agencies that adopt these Standards can be trusted to provide consistent, high quality advice. For more information on the industry standards visit the website at www.homeownershipstandards.org.

• Remember that signing over the deed to someone else does not automatically relieve you of your loan obligation; you must work this out with the bank as well.

• Watch out for scams. Solutions that sound too simple or too good to be true usually are. If you're selling your home without professional guidance, beware of buyers who try to rush you through the process and offer you far less than the property is worth. Contact a local real estate professional to learn more about what similar properties in your area are selling for.

Act now! Delaying can't help. If you abandon your home, you will lose your home and your good credit rating.

Q. I want to move back into the apartment I was renting, but I don't have a copy of my lease and the landlord says he's rented it to someone else. What can I do?

A. You will need to get legal advice to help sort this out. Look at the contacts under legal resources in the Resource Guide for your state, to find out about low-cost or free legal assistance.
Q. *I had emergency rental assistance, but it is ending and I still don’t have anywhere to go. What can I do?*

A. The New Jersey and New York Resource Guides provide contact information about homeless shelters, and other services for people who are homeless or at risk of becoming homeless.

You also may be able to extend your aid through a “recertification” process, or to appeal the decision.

If your appeal isn’t successful, try calling one of the faith-based or nonprofit resources listed in your state’s Resource Guide at Route 4.

See “Getting Help With the Rent,” on page 88, which provides more information on the types of rental assistance available for low-income people. In addition, your state Resource Guide will help you connect to rental assistance in your area.
Finding an Advocate:  
“I’m Ready to Go. Where Do I Start?”

What Are Housing Counseling Agencies and How Can They Help Me?

Having bad credit or too much debt can make it hard for you to hold on to your housing, whether you are a renter or a homeowner. Housing counseling agencies can teach you about managing your debt and developing a healthy spending and savings plan so you can realize your housing goals — whatever they might be.

Housing counseling agencies can also prepare you to purchase a home and teach you how to be a successful homeowner. To help you do this they offer:

- Homebuyer education classes, which teach you about the process from A to Z
- Individual counseling on your budget, debt repayment, and credit repair issues
- Advice on how to protect yourself from lending scams
- Classes or advice on home maintenance and repair
- “Financial Fitness” classes to help you budget and save so you can reach your goals
- Guidance on home purchase, repair and renovation financing
- Assistance with delinquency or foreclosure issues
- Classes to teach people how to be landlords

It is too soon to know the exact role housing counseling agencies will play in delivering state disaster aid. However, they will be able to steer you to the place to go to get state assistance, and to help you think through your housing options.

Locating a Housing Counseling Agency

The best way to get this help is to call for an appointment or, if there is one close by, to stop in at your local housing counseling agency's office. To find one in your area, turn to the section on Housing Counseling Agencies at the beginning of each state’s Resource Guide at Route 4. Consumers can search for housing counseling agencies that are HUD approved. Along with looking for a HUD-approved housing counseling agency, they can also search for housing counseling agencies that have adopted the National Industry Standards for Homeownership Education and Counseling at www.homeownershipstandards.org. These Standards help practitioners and organizations serve families and communities with consistent service and professional excellence.
Finding Rental Housing

In this section we’ll discuss options for finding a rental home and getting help in paying your rent.

Using a Rental Agent

Consider using a professional rental agent to help you find and select a unit that’s right for you. Experienced rental agents can help match you with a unit that meets your needs. Landlords pay a fee to have their units included in the database, so the service will not cost you anything. Keep in mind that rental agents will only tell you about units whose owners subscribe to the service, and that may not include everything that’s available for rent.

You tell the rental agent your rent range, job location, transportation needs, community interests and recreational activities. Their role is to:

• Match your requirements to their database of available units
• Prepare a list of apartments or homes that meet your lifestyle and tell you how to set up an appointment to look at the unit

These services can help narrow your search to a handful of units that meet your requirements, saving you time and travel costs as you go about your search. Some rental agents may be local, but there are others listed on the Internet as well. To learn who to contact, turn to your state Resource Guide at Route 4 of this guide and look in the section on Rental Information.

Some of these sites also offer free roommate-matching services. If you want a shared living situation, you might consider using this service rather than renting a place yourself and looking for a roommate later.

Newspaper Classifieds: Tried and True

Newspaper classified ads are still an important source for apartment rentals. The Sunday ads are usually the most complete. Often daily newspapers will choose another weekday, such as Wednesday, to run another bunch of classifieds.

Getting Help with the Rent

If you lived in an apartment where the rent was subsidized by the U.S. Department of Housing and Urban Development (HUD), or if you had a housing voucher through a public housing authority, you should contact your local affordable housing agency or public housing authority.

If your income is very limited and you are not receiving rent subsidies, then you can apply for rental housing assistance. Please be aware that as of the date of this guide, this is not a
quick solution to your housing needs. While more help is on the way, there are many people who need help with rent. You may also contact housing counseling agencies in your area to explore affordable rental options, including short-term or temporary housing.

There are several types of rental housing assistance:

- **Public housing** is owned and managed by a public housing authority (PHA). You pay 30% of your income toward rent and utilities. You have to be under the income guidelines and live in the properties the PHA owns.

- **The Section 8 Housing Choice Voucher Program** also requires you pay 30% of your income toward rent and utilities, but gives you a voucher that you can use in a privately owned rental unit. Thus, you are not required to live in specific properties.

To apply for public housing or Section 8 vouchers, contact the PHA where you want to live and ask for an application. The Resource Guide for your state at the end of this section tells you how to find the one nearest you.

- **Units that are privately owned, but which were built with low-interest loans or grants from the state and federal government.** In exchange for this assistance, these property owners agree to offer lower rents to tenants whose incomes are less than specified limits.

To apply for a unit in one of these properties, you have to contact the building’s owner or property manager directly. This means that, depending on where you want to live, you might have to apply to quite a number of them. If your application is accepted, you will probably be put on a waiting list until a unit becomes available. It is best to keep a written list of the properties you applied to, their contact information, and the date you applied so you can keep track.

### Dealing with Property Title Issues

Whether you are rebuilding your hurricane-damaged home or buying a home, you must establish clear title to the property. In this section, we will discuss how you can get help in doing this from title companies and lawyers.

#### What Is a Title and Why Should I Care?

The term “title” refers to your interest in a piece of property, such as land. It can also refer to the document that establishes your ownership. As a property owner, you want to be sure that your title is “clear” — that is, no one else claims to be the owner instead of you. The way to establish clear title is to search back through deeds and other public records, often as far back as 60 years, to trace the chain of ownership and show that no one else lays claim to the
land. A competing claim can threaten your ownership of the land altogether, or cost you thousands of dollars in legal fees to prove that it’s yours.

If you live in a home that has been in your family for generations, somewhere along the way you may be missing information about who owned it and when. That makes the title “cloudy,” because then someone else can say the property is theirs. Some people who thought they owned their property have found that they will need legal help to establish clear title.

Most housing loans use the property as collateral because lenders need a way to get their money back if you stop making mortgage payments. That’s why lenders want you to have clear title before they give you a loan — they want to make sure that you really do own the property that you’re using to back up the loan.

**Title Companies and Title Attorneys Can Help**

Title insurance companies and title attorneys research public records and trace the line of succession (who owned the property and when). You pay a fee for the research and for resolving any problems that are found. If you have a mortgage on the property, the lender will require you to purchase an insurance policy that protects the lender against competing claims. You should also purchase an “owners policy” so that you are protected as well. You typically pay a separate fee for this “title insurance” as part of your monthly mortgage payment. If someone shows up later and claims ownership, the title insurance company will defend your claim, pay damages and cover your losses.

Most people use the title insurance company recommended to them by their lender or real-estate professional.

**Property Surveys Are Part of a Title Search**

Lenders or title insurance companies often require a survey to mark the boundaries of the property. A survey is a drawing of the property that shows the boundaries of the property, and marks the location of the house and other structures on the property. You may be able to avoid the cost of a complete survey if you can find the person who last surveyed the property and request an update. Check with your lender or title insurance company to see if an updated survey is acceptable.

**Legal Assistance**

If you need legal assistance to establish clear title to your property and can’t afford a lawyer, there are a few different things to try.
Every state has legal aid offices that help people with low incomes deal with legal issues related to housing, wills, divorce and similar issues. Legal aid offices receive public funding, so their services are usually free. Because they serve all low-income people in their area, not just people who were victims of the disaster, legal aid offices are generally busy places, and it can take some time to get an appointment. Still, if you need a lawyer to do a title search, represent you in a legal matter, or to give you legal advice on your unique situation, the legal aid offices are one place to go.

Another way to get free or low-cost legal advice is through “pro bono” attorneys. These attorneys are in private practice but volunteer their time to give legal counsel to people who otherwise could not afford it. Depending on what you need, these lawyers could represent you in court, give you legal advice, or represent your legal interests in other ways.

To find a pro bono attorney or legal aid offices near you, turn to your state Resource Guide at Route 4 and look under the legal section.

**Resources for Buying and Selling**

**I’m in the Market to Buy**

If you’re buying a home, one way to find out about and visit a lot of properties is to work with a real estate professional. This service does not cost you anything; the seller pays the fee at the time the property is sold (the “closing”). Real estate agents and REALTORS® can be helpful in setting up times to look at properties, negotiating with the sellers over the price you are willing to offer, and getting the deal to closing.

Real estate professionals can also help you think through what sort of a house you’re looking for. Agents can show you properties in your price range and with the features you’re interested in. While real estate agents usually work for the seller, “buyer-brokers” represent the buyer’s interest in the deal. They also collect their fee at closing when the sale is complete.

Real estate professionals have access to a member database called the Multiple Listing Service (MLS) that includes information about land and properties that are for sale or for rent. They can use this to search for the type of property you want in the town or neighborhood where you want to live. MLS listings are also available to the general public although real estate agents get access to more information. The listings have one or more pictures as well as basic information about the property: the number of bedrooms, how old it is, and the lot size. You can find vacant lots in the MLS as well, if you’re interested in building a new house.

**Alert:**

**Compare and Save on Title Insurance**

To save money on title insurance, compare rates among title insurance companies. Ask what services and limitations on coverage are provided under each policy so that you can decide whether higher-cost coverage may be better for your needs. However, in many states title insurance premium rates are established by the state and you may not be able to negotiate a lower rate.

If you are buying a home which has changed hands within the last several years, ask your title company about a “reissue rate,” which is cheaper. If you are buying a newly constructed home, make certain your title insurance covers claims by contractors. These claims are known as “mechanics liens.”
While many people feel more secure working with a real estate agent, there are also a number of properties being sold by their owners. Look for guides to “for sale by owner” (or FSBO) properties in your area in supermarket foyers, Laundromats, or other high-traffic areas. You can also find listings on the Web. A quick Internet search brought up the following two FSBO services, but there are many others:

- www.salebyownerrealty.com
- www.forsalebyowner.com

As a buyer, looking at FSBO properties means that you will be negotiating directly with the seller of the property. This means that you will not have the benefit of a skilled professional looking out for you. Besides negotiating the price and terms of the deal, buying or selling a property without the help of a licensed real estate professional means that you will have to keep track of and carry out all the obligations agreed to in the purchase contract like securing financing, hiring a home inspector, reviewing documents, obtaining insurance and scheduling the closing to name a few. Be sure to have reliable legal, tax and other advisors to help you make informed decisions along the way.

**What If I Want to Sell?**

Real estate professionals can be very helpful if you’re planning to sell your property. To begin with, they can give you a sense of how much it is worth. This is not the same as a formal appraisal. This service provided by real estate agents is usually done for free, and is based on a rough search of comparable properties in the surrounding area.

If you are getting pressured to sell by a “predatory buyer,” who is offering you cash if you sell immediately at a low price, you might want to contact a local real estate firm and see if they can give you a better sense of the actual value of the property.

When you list your property with a real estate professional, you sign a contract with the agent for a period of time. This gives the agent the exclusive right to try to sell your property for you. If the property doesn’t sell, you can choose not to renew the listing agreement when the contract period ends. The real estate professional will advertise your property in the newspaper, in the Multiple Listing Service (an online database), and in other publications. The real estate professional is responsible for showing the property, getting the signed purchase and sale agreement, and helping to bring the deal to closing. The agent or REALTOR® can also give you helpful tips on what you can do to make your property easier to sell. You only pay if the property sells, and that fee is paid at closing (the settlement meeting where the property actually changes hands). The fee varies, but is usually from 5% to 7% of the sales price.
Choosing a Reputable Real Estate Agent

One good way to find a real estate professional is to look around an area where you’re interested in buying or selling and take note of the real estate signs you see. Who’s listing the most properties? Is the office local? Find out who other people in the neighborhood have used as an agent. Were they pleased with the service? Keep in mind that you don’t have to work with the first real estate agent you meet; you should shop around to find someone who understands your needs and is going to be easy to work with.

There are real estate associations in every state, and often local branches as well. The state Resource Guides at Route 4 have information on the associations in your state. The New Jersey Real Estate Commission and the New York Department of State, Division of Licensing Services both maintain a database of active licensees, so you can confirm that the real estate professional you work with is in good standing. You can search the associations’ websites for a licensed real estate professional in your area, and also find out what to do if you are not satisfied with your current real estate professional.

Some questions to ask a real estate professional are:

- Can you show me your real estate license?
- How long have you been in business?
- What qualifications do you have to sell real estate?
- Can I have a list of references to call?
- Do you have a plan for marketing a property like mine?
- How much of your business comes from referrals?
- How do you track what’s happening with my listing (number of calls, number of showings, activity at open houses, and so on)?
- What happens if I’m not happy with your service?
- How much will you charge to sell my home or to purchase a new one?
- What area of town do you specialize in?
- Is this your full-time job?
- How many past clients have you helped that were victims of disaster like me and how did you help them?
Many people feel that using a licensed, qualified real estate agent is the best way to buy and sell real estate, especially if you do not have a lot of experience yourself. It is easy to be taken by real estate scams, and a good real estate agent will protect you from that.

You might want to work with a licensed REALTOR®. While both real estate agents and REALTORS® are licensed to sell real estate, a REALTOR® is a member of the National Association of REALTORS®. The main difference between a real estate agent and a REALTOR® is that a REALTOR® must subscribe to the REALTOR® Code of Ethics and its underlying Standards of Practice. The standards are much more restrictive and confining than those governing agents who simply hold a real estate license.

**Selecting a For Sale by Owner (FSBO) Service**

If you feel sure that you can sell the property yourself, a For Sale by Owner service is likely to be available in your area. You pay a fee for this service, but it is less than what you would pay a real estate professional. The service will market your property in publications and on websites, and supply forms and documents, as well as some tips, on screening buyers and selling property. You may still want to get legal advice on the contracts and forms that you use for the sale.

Selling a house by yourself means that you have to show the unit, negotiate directly with the buyer on the purchase and sale agreement, and handle any other issues as they come up. If this concerns you, you can always hire a lawyer to look over the purchase and sale agreement or come with you to the closing.

The websites for two FSBO online services are listed below, but there are many others.

- [www.salebyownerrealty.com](http://www.salebyownerrealty.com)
- [www.forsalebyowner.com](http://www.forsalebyowner.com)

**Professionals Who Take the Sting Out of Managing the Repair Process**

Homeowners in hurricane-affected areas have many questions. You still may not know whether your house can be salvaged at all. But whether you’re repairing storm damage or building new, there are still a lot of unknowns. You may be wondering:

- How will the new flood map elevations and building codes affect me?
- Would I be better off repairing my home or building new?
- If I rebuild, what can I afford to build?
- How can I get help with mold removal?
• How can I make my current or new house stronger and more resistant to storm damage?

• How can I make my home more energy-efficient and comfortable?

You will find out about Housing Rehabilitation Specialists who can help homeowners answer these questions and manage repair or rebuilding projects.

**What’s the Role of a Housing Rehabilitation Specialist?**

**Helping You Decide What Repairs To Do**

A housing rehabilitation specialist usually works for a nonprofit housing organization that helps people with modest incomes purchase their first home, learn how to maintain it, and be successful homeowners over the long term. The role of the housing rehab specialist is to work with existing homeowners whose homes need repair or improvement. In most cases the focus is on making sure the house meets local building codes. When the funds to make home repair loans or grants come from the government, it usually requires that all important health and safety items be corrected first. But housing rehab specialists may also work with homeowners who wish to add room for a growing family or make other improvements that are needed — not cosmetic changes.

When you go to your local nonprofit housing organization for assistance with repairing or rebuilding your home, ask for both a housing counselor and a housing rehab specialist. The rehab specialist will inspect your house carefully and help you decide the scope of work that should be done — balancing what you want with the need to bring the property up to code. This will include both the repairs from flood damage and any other work that may be required to protect your house from future storms. Meeting FEMA flood-proofing requirements will be a top priority, since you will have to show proof of this in order to get flood or homeowners insurance. If you can afford to borrow money to make additional repairs beyond these basic health and safety issues, you can work this out with the rehab specialist.

Once the scope of work is identified, the rehab specialist will give you estimates of the cost for the repairs. He or she will help you decide whether it is more cost-effective for you to make repairs, or to demolish the house and rebuild.

**How Will I Afford These Repairs?**

While the housing rehab specialist helps you determine the work your house needs, the housing counselor will meet with you to review your income and expenses. Unless you have substantial savings or a large insurance settlement, you will probably need to get a loan to pay for the work. The housing counselor can refer you to a reliable lender. No matter where you apply for financing, the housing counselor can help answer your questions during the application process, as well as through loan closing (when you sign all the paperwork to get the loan).
Getting the Work Done

The housing rehab specialist provides you with a list of contractors who can supply bids and guide you through the bid process.

Once the loan and/or grant and the contractor(s) are lined up, the housing rehab specialist can help manage the construction process. Depending on the agency, this may include guidance on what to expect from working with contractors, to actually coming out to the house to inspect the work that’s been completed every time the contractor wants to get paid. If there are problems as the work is done, the housing rehab specialist will help you work with the contractor to resolve the issue. Often the nonprofit organization will escrow, or hold, the loan money on your behalf and only pay the contractor when the work is done to your satisfaction. This can be a great comfort if you have never done this before.

Managing a Home Construction Project Yourself

If you want to get started right away on your home repair or rebuild project, you will have to manage it yourself. Even if you have never done this before, there are tips you can use to protect yourself and make sure the work gets done the way you want.

Listed below are some practical ideas for managing your own construction project. You should start by hiring the right contractor the first time.

Finding a Reliable Contractor

Here are some tips from the FEMA website for hiring contractors:

- **Beware of anyone who claims to be “FEMA certified.”** This should send up a red flag. FEMA does not certify or endorse any contractors.

- **Avoid door-to-door offers to do construction work and offers that appear too good to be true.**

- **Use reliable, licensed and insured contractors.** Ask to see a license and proof of insurance.

- **Call your area Better Business Bureau, local homebuilders association or trade council** and ask if the contractor has any complaints against him or her.

- **Check references.** Contractors should be willing to provide the names of previous customers. Call several of them to make sure they were satisfied with the work. You may even want to visit to see the quality of the work yourself.

- **Ask for a written estimate.** The estimate should detail the work to be done and have a set completion date. Be sure to read the fine print. Get more than one estimate to compare costs and services.
• **Get a written contract.** Read your contract carefully before signing, and keep a copy for your records. Never sign an incomplete or blank contract. Make sure it clearly states in detail the work to be done and who is responsible for obtaining necessary permits. It should also include a description of how, and for what reasons, the contract could be cancelled. You may wish to have an attorney review the contract if it is a large project.

• **Ask for a written guarantee.** It should clearly state what work is covered and for how long, as well as who is responsible for fulfilling the guarantee (contractor, dealer or manufacturer).

If problems arise:

• **Cancel the contract.** By law you can cancel a contract within three business days of signing. Be sure to follow the procedures for cancellation that are set out in the contract. Send the notification by registered mail with a return receipt to be signed by the contractor.

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**Top 10 Tips for Managing a Rehab Job on Your Own**

You've used the suggestions from the last section on how to hire the right contractor, and the job is ready to start, but you've never managed anything like this before. What do you do?

If you feel at all nervous about being the boss, remember that whether it came from an insurance company, your savings, FEMA, or a bank loan you are paying for this with your own money. After everything you have been through, you really need this work to be done right the first time. It is better to start out being the boss and being firm about what you expect, than to try later when the job is well underway. Here are the top 10 tips for managing your own home construction project:

1. **Behave like a builder, talk like a builder.** Be friendly with your subcontractors, but let them know who is the boss.

2. **Keep records** of purchase orders, invoices, paid receipts and checks, workers compensation records, etc. Set up an easy filing system so you know where the records are and how to find them. (Hint: Office supply stores sell plastic filing bins that are easy to carry and hold a lot of file folders.)

3. **Understand the order** in which work has to be done, and develop a schedule for when to bring in each subcontractor.

4. **Inspect work often** to check on progress, quality and the schedule of work.

5. **Allow some time gap** between the work schedules of two subcontractors so that inspections can be made and changes, if any, can be made. Build in some time for “surprises.”
6. **Contact your insurance agent to discuss having contractors on your property** to see what property and persons are covered. If possible, Insure workers who will be on the construction site through a rider to your homeowners insurance policy. This can protect you against any accident on the job site.

7. **Keep track of how much money you’ve spent** and how much more is needed to finish the project. Compare this often to how much money you have to spend.

8. **Use written contracts** with your subcontractors. Put all changes in writing, and use lien waivers when work is finished. A lien waiver is a release signed by the contractors and suppliers stating that they have been paid for all labor and material that they have supplied on your project. By signing, they relinquish all rights to place a mechanics lien on your property.

9. **Make sure materials are ordered and on-site** before the job is scheduled to start.

10. **Make a final payment only when work is completed.** Legitimate contractors normally do not require more than one-third of the total charges as a down payment, and give detailed initial cost breakdowns of materials. **Don’t pay for the work up front or in cash, and wait until the project is done to your satisfaction to make the final payment.** A reputable contractor will not pressure you to sign off on the job if it’s not finished properly.

The state Resource Guides at Route 4 contains guidance on where to look for licensed, insured local contractors.

**Improving the Energy Efficiency of Your Home**

Energy-efficient houses provide many benefits: long-term cost savings; improved comfort and health; and a more durable and more valuable home. ENERGY STAR® helps you make energy-efficient choices. As you consider rebuilding or renovating your home, consider making your home more energy efficient with properly installed insulation and ENERGY STAR® products.

**Benefits of Properly Installed Insulation**

- **Improved Comfort** — Properly installed insulation keeps indoor temperatures more steady and keeps rooms warmer in the winter and cooler in the summer.

- **Lower Utility Bills** — More than 40% of the energy consumed by a typical household goes to heating and cooling. By preventing heat gain in the summer and heat loss in the winter, insulation reduces utility bills year round.
• **Improved Durability** — When insulation is properly installed, the condensation that can decay building materials is reduced. This helps improve the durability of your home.

• **Better Resale Value** — The improved comfort, lower utility bills, and improved durability of properly installed insulation can mean a higher resale value compared to less efficient homes.

**General Information on Insulation for Homeowners**

• The most common types of insulation are fiberglass (batt and blown), cellulose, rigid foam, rock wool and spray foam. Be careful if your home already has vermiculite insulation, as it could contain asbestos.

• Where there are threats of flooding, install closed-celled foam insulation that does not absorb moisture.

• Using more insulation than the required minimum saves on energy costs and makes the house more comfortable.

• Insulation works best when air is not moving through or around it. To get the most benefit out of any insulation, be sure that all air leaks are sealed.

• To get the biggest savings, add insulation in your attic. Other common places to add insulation are the floors above unheated spaces, unventilated crawl spaces, and the edges of slabs-on-grade.

• Selecting high quality materials during construction may add to upfront costs, but will likely provide long-term savings through greater durability, strength and reduced replacement costs.

**How ENERGY STAR® Products Improve Energy Efficiency**

• A combination of building envelope upgrades — high-performance windows, controlled air infiltration, upgraded heating and air conditioning systems, and tight duct systems — contribute to improved home quality, lower energy demand, and lower utility bills.

• Appliances and lighting account for 40% of home energy usage. Refrigerators are typically the single biggest energy-consuming home appliance. ENERGY STAR®-qualified appliances use 10% to 50% less energy and water than standard models.

• Many ENERGY STAR®-qualified products are available, ranging from windows and doors to refrigerators and programmable thermostats. When buying new appliances, it pays to look for the ENERGY STAR® label.
**Additional Resources**

ENERGY STAR® is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy. To find local homebuilders or to find out if you may qualify for energy efficiency home tax exemptions, credits or rebates, visit [www.energystar.gov](http://www.energystar.gov). Also, ask your housing counseling agency about an Energy Efficient Mortgage (EEM), which is a mortgage that credits a home’s energy efficiency in the mortgage itself. EEMs give borrowers the opportunity to finance cost-effective, energy-saving measures as part of a single mortgage.

**I’m Thinking of Becoming a Landlord: What Do I Need To Know?**

If you own property you plan to rent out, or are thinking of buying some, you have an important role as a landlord. Affordable rental housing is scarce in the disaster areas and much more is needed. If managed well, rental property can earn income, and over time can be a good investment of your time and money. If you buy a rental property and live in one unit and rent out the others, the income can help you afford your mortgage.

At the same time, being a landlord has tax and legal responsibilities — and some risks — that you would not have if you just lived in your own home.

**New Responsibilities**

Remember that being a landlord is like having a small business, so be ready for the extra work. As a landlord you will have to:

- Find reliable tenants
- Handle security deposits
- Collect monthly rents
- Maintain your property and respond to maintenance emergencies
- Evict tenants who do not comply with the lease
- Pay the mortgage (if any) and for repairs when they are needed
- File taxes on your rental property
- Keep careful records
- Be knowledgeable of federal, state and local landlord tenant laws; and have adequate landlord and liability insurance.
Training Opportunities
If you’re new to being a landlord, you will need to learn good habits and tips. See if your local housing counseling agency offers landlord classes (look under “Finding an Advocate,” earlier in this guide for guidance on finding a housing counseling agency).

A publication from Fannie Mae, Becoming a Landlord: Rewards, Risks, and Responsibilities, is an excellent guide to the in’s and out’s of being a landlord. It’s available online at www.efanniemae.com/lc/publications/pdf/landlord.pdf.

Faith-based Organizations:
Accessing an Army of Helping Hands
In disasters, faith-based organizations are often the first to respond. They may offer basic survival help such as shelter, food, water, clothes and access to information about other assistance. Once aid starts flowing to a stricken area, religious organizations can be vital to getting assistance out into the community to help people at the local level.

Faith-based organizations gather volunteers from their own communities and from across the country to ask for funds, food, clothing, and even work crews.

Many faith-based organizations focus on helping people in their neighborhoods or communities. Others, like the Salvation Army and Catholic Charities, have become large, multiservice organizations that contract with the state and federal government to provide things like emergency shelter, mental health and substance abuse services, case management, home visiting, and refugee resettlement.

As you look around for help on the road to housing recovery, don’t forget to check in with your local church, temple, or mosque. In the Resource Guide in Route 4 you will find a listing of faith-based organizations active in your area. In the months to come they will continue to play an active and vital role in organizing volunteers, private donations and public dollars to support the recovery and rebuilding efforts.

Catholic Charities
Catholic Charities agencies provide a wide rage of services to people in need. They don’t all offer the same programming, however, so you may need to call your local office to see what services they have. Find a member agency near you by visiting the website at www.catholiccharitiesusa.org/who-we-are/member-agencies.
Habitat for Humanity

Habitat for Humanity specializes in building new homes for low-income people. Typically, the buyer helps to build the house with the help of many other volunteers, and then receives a loan with no interest for the purchase. In the weeks following Hurricane Sandy, Habitat pledged to build or repair affordable housing in partnership with low-income families impacted by the storm.

Habitat is very successful in bringing in volunteers and donations to reduce the cost of building homes. It also offers housing counseling to its buyers to help them prepare for ownership. The website, www.habitat.org provides more details about Habitat’s response to Hurricane Sandy.

Lutheran Services in America

Lutheran Services in America member organizations provide a range of services, ranging from health care to disaster response, from services for children and families to care for the elderly, and from adoption to advocacy. Visit www.lutheranservices.org to find member organizations near you.

Salvation Army

The Salvation Army mobilizes volunteers, donations, and grants to serve millions of people every year. In the wake of disasters, they help with emergency housing, rent, and mortgage payment assistance. In addition to emergency assistance, the Salvation Army itself provides a range of services, including adult rehabilitation centers (residential programs for men and women with substance abuse issues), emergency shelters, and Meals on Wheels. Visit the website at www.salvationarmyusa.org.

Social Service Agencies

In this guide so far we have talked mostly about resources and assistance to help you with your housing needs. But in order to really recover from the Hurricane Sandy, you may need some other help as well. It may be challenging to find the services you need to keep yourself and your family going. You may need something as basic as day care for your toddler, or as complex as grief counseling to help you deal with what you lost. Perhaps you need to find substance abuse and mental health treatment for a family member or friend. How can you find out about what services are available and where they are offered?

There is not space in this guide to list every social service offered in every affected community. There are just too many to list, and besides, the list changes as new services become available or existing ones end.

Instead, in the state Resource Guides at Route 4 we direct you to some important nonprofit and faith-based groups that serve as resource and information hubs. These groups are likely to know where you can go to get the help you need. If the help you and others need isn’t available, these groups can work with volunteer or public officials to fill that gap in services.
2-1-1 — An Easy Connection to Human Services

Several years ago, United Way launched a national effort to establish 2-1-1 phone numbers. It’s based on the success of the 911 emergency system, where you can call and request help from police or fire and rescue. In the same way, a 2-1-1 number allows you to dial just those three numbers and get connected to any human service organization operating in the area covered (depending on your location, it may be a city, a region, or statewide). The Resource Guides at Route 4 provides local 2-1-1 information. You may also visit www.211.org and enter your zip code for additional information on your local 2-1-1.

Red Cross

Red Cross disaster relief meets people’s immediate needs when a disaster occurs. The Red Cross provides shelter, food, and health and mental health services to address basic human needs. In addition to these services, the Red Cross helps people affected by disaster to get back to their normal lives. One way they do this is by providing clean-up supplies to flood survivors so they can get their houses ready to live in again.

The Red Cross also feeds emergency workers, handles calls from concerned family members outside the disaster area, provides blood and blood products to disaster victims, and helps people affected by disaster to find other resources they need. For more details visit the website at www.redcross.org.

United Way

United Way agencies raise money from individuals and businesses and use the money to support critical local services. The staff knows a great deal about the local human services system, and if they don’t know, the chances are good that someone they know does. United Way created the United Way Hurricane Sandy Recovery Fund. The Fund will be used by local United Ways to support the near- and long-term recovery needs of communities affected by Hurricane Sandy. See www.unitedway.org/blog/entry/united-way-hurricane-sandy-recovery-fund for additional details.

Major Pit Stop Ahead

Now that you’ve selected a map to guide your journey and identified your Roadside Assistance Crew, you’ll want to brake hard for the next big pit stop along Route 3. You’ll find out how to steer clear of the warning signs and avoid the pot holes and pitfalls so you can take the most direct route to housing recovery and avoid the heavy traffic (like scams and other such roadblocks) up ahead!
Making Informed Decisions and Steering Clear of Warning Signs

By now you've selected a destination, identified your Roadside Assistance Crew, and learned about the programs and products that may make your journey less bumpy. This section of the guide will provide information and tips for steering clear of the pitfalls, potholes, and roadblocks so you can make informed decisions as you navigate the course.

Along Route 3, you’ll find out how to:

- Ensure Internet Access
- Use financial tips to prepare for and recover from disaster
- Improve your access to credit to cover financial gaps in your recovery plan
- Avoid scams, identify theft, and prevent foreclosure — otherwise known as the pitfalls, potholes, and roadblocks to recovery
Accessing the “Super Highway”

Where to Find Internet Access

At this point on your journey toward disaster recovery, you have probably noticed that most of the information useful to you is accessed primarily through the internet. It is critical that you stay connected to the Web. If you don’t have a computer and Web access at home, you can still get online! Internet access, WiFi and Hotspots are widely available to the public in several places. Try these out:

- Public libraries very often offer free computer time. To confirm that your closest library or branch has Internet access, call the library.
- Your children, grandchildren, nieces or nephews, or other family members or friends with computer skills can give you lessons or help you look things up.
- Some schools have computer labs that the public can use outside of school hours. Call your local school to find out more. High school students can make great tutors!
- If you’re a senior, senior service centers sometimes offer computer access or can help connect you to someone who does.
- Many restaurants, shops, and commercial developments (i.e., Starbucks, Barnes & Noble, Whole Foods, McDonalds, shopping malls, etc) offer free WiFi.
- If you want to learn how to use computers, look for classes offered through your local adult education center. You can also check with your local library to see if it offers workshops to build your Web skills.
As you follow your road map toward your “housing recovery” destination, you’ll likely find that there are specific steps you can take to ensure a smooth journey. Among these are getting your financial house in order, which includes developing a family budget, dealing with credit issues, and developing a savings plan to give you a cushion when disaster strikes. All of these actions are part of the workout required to become “financially fit” so you can be prepared when disaster strikes and take the most direct route to recovery after the storm has passed.

**Tune Up with Financial Tips**

Natural or manmade disasters — like floods, fires, earthquakes, tornadoes, or hurricanes — can strike without warning and can happen to anyone. Even minor disasters can damage or destroy your property and belongings. Disasters can also make it difficult for you to conduct essential financial transactions.

In addition to planning for your family’s safety and basic needs, such as shelter, food and water, you should be ready to deal with financial challenges, such as how to pay for supplies or temporary housing, if necessary. Being prepared to function financially will give you less to worry about if an unfortunate event happens to you.

If you had only a few moments to evacuate your home — and were away for several days or even weeks — would you have access to cash, banking services, and the personal identification you need to conduct your day-to-day financial life?

**The Following Are Some Tips to Help You Be Prepared If a Disaster Strikes:**

- **Sign up for direct deposit** — Having your paycheck and other payments transmitted directly into your account will give you better access to those funds by check or ATM. It means you won’t have to deliver the deposit to the bank or rely on mail service, which could be delayed. Ask your employer if this is an option for your paychecks.

- **Arrange for automatic bill payments** — This service enables you to make scheduled payments from your bank account — such as for your phone bill, insurance premiums and loan payments — and avoid late charges or service interruptions. With automatic bill pay, you don’t have to worry about essential bills being paid. In an emergency that can be a real bonus. You generally authorize each company to whom you owe regular payments to make a monthly deduction from your account

- **Consider signing up for Internet banking services** — This also makes it possible to conduct your banking business without writing checks. Many banks and credit unions offer this as a low-cost or free service.
Review your insurance coverage — Make sure you have enough insurance to cover the cost to replace or repair your home, car and other valuable property. Once you have taken steps to make sure you’re financially prepared for disasters, take time to learn ways to ensure that you stay on course.

Developing a Spending Plan

A budget or spending plan will help you manage your money and keep your family on the safe and most direct path to housing recovery. Managing your personal finances wisely is a critical step in achieving financial security. Money management is about choice — choosing how to spend and save your money. Knowing what your income and expenses are every month will enable you to maintain a realistic view of your money and bills so you don’t veer off course.

To create your spending plan, track all of your expenses for one month. Make a budget worksheet by writing down all of your expenses. Be sure to include periodic expenses like car insurance. Once you have filled in all of your budget expenses, compare your expenses with your income.

So Why Is Developing a Spending Plan Such a Big Deal?

• Because it helps you take control of your financial situation.
• Because it reduces the anxiety of not knowing whether you have enough money to pay your bills when they are due.
• Because it gives you a sense of control over money, rather than letting money have control over you.
• Because it enables you to build an emergency fund to cover you when the clouds start gathering.
• Because it helps you build assets which will help improve the quality of life for you and your family.

Alert:

Becoming Money Smart

Interested in becoming Money Smart? If so, you’ll want to check out the educational course called Money Smart provided by Federal Deposit Insurance Corporation (FDIC).

Money Smart will help you enhance your money skills and create positive relationships with financial service companies. The Money Smart course provides information about key topics, including:
• Banking basics
• Credit
• Budgeting
• Savings
• Credit cards
• Loans
• Homeownership

Money Smart is available as a face-to-face training course or as a tool on the Web. To find out if there is a face-to-face Money Smart course available in your community, contact your FDIC Community Affairs Specialist by logging onto: http://www.fdic.gov/consumers/consumer/moneysmart/cao.html.

If you prefer to review the Money Smart course online, simply log onto http://www.fdic.gov/consumers/consumer/moneysmart/index.html.

The online course allows you to review all of the topics or you can just focus on the topics that interest you the most.
Priorities — Which Path Will You Choose?

When creating a spending plan, it’s important to consider your needs and wants. Needs are items needed for basic survival, such as food, water, shelter, and clothing. Wants are things desired but not necessary for basic survival. Sometimes budgeting requires tough decisions so you can eliminate spending on wants to free up money for needs. Remember, everyone has different priorities. Budgeting forces you to determine your family’s financial goals and gives you the framework for accomplishing them.

What Payments Should I Make First If I Don’t Have Enough Money to Pay For All My Bills

- First, pay off your necessary household expenses, such as rent or mortgage, utilities, and food. You need to pay your rent or mortgage to ensure you don’t get evicted or have your property foreclosed. Think about the health and safety of your family when making these types of decisions.
- Many utilities, such as telephone, electric, and gas companies, have programs to lower your bill if you qualify. If you think you need assistance, call the customer service number shown on your utility bill.

What Should I Do If I Can Pay Off My Monthly Household Expenses, But Am Having Trouble Paying Off My Loans?

- Pay off the loan with the highest interest rate first to save on interest payments.
- Talk to your creditor (the bank holding the loan, the credit card company, or another company to whom you owe money). Your creditor may be willing to reduce your payments or change the terms to accommodate your situation. Some creditors might offer extensions (smaller payments over a longer period of time). Some creditors might accept partial payments.
- Get a debt consolidation loan, but be cautious of this option. If loan fees and interest rates are too high, it may not be the best option for you.
- Get professional advice. Check out the Resource Guide in Route 4 for information on how to contact a local housing counseling or nonprofit credit counseling agency that can help you deal with your financial problems. The most reputable organizations charge little or nothing for their services.
- Be cautious of companies that promise to fix your credit problems right away. Credit repair can be a long process that might take several years. Just remember, “If it sounds too good to be true — it probably is.”
Navigating the Road to Housing Recovery

If you have developed a spending plan that includes an emergency fund for dealing with unforeseen expenses, you're ready to tackle the next step to becoming a well-informed traveler on the road to housing recovery. Maintaining a solid credit history and managing credit responsibly is essential if you need to obtain a loan in order to bridge a financial gap and stay the course to recovery.

Some people don’t like credit and prefer to pay cash for everything; other people abuse credit and borrow more than they can ever repay. Credit is important. A good credit rating makes it easier for you to borrow money because it shows lenders that you have handled past borrowing responsibly. A poor credit rating tells lenders that you either could not or did not repay money that you borrowed in the past, or that you did not repay it on time. This information makes it more difficult for you to convince a lender to risk lending you money.

Having good credit goes beyond making it easy for you to borrow money. Good credit allows you to rent or buy things you want or need. Many employers will check your credit before offering you a job. Loan rates are typically determined based on credit history, so people with good to excellent credit get the lowest interest rates and save money. People with past or current credit problems tend to pay higher rates and fees.

In the sections that follow, we’ll discuss how to get your credit status on track so you can use credit as a powerful tool as you travel along the road to housing recovery:

- Exploring your credit report
- Understanding your credit report
- Identifying any errors on your credit report
- Rebuilding your credit record
- The truth about credit repair
- How credit scores can affect your road to housing recovery

Alert:

**Money Saving Tips**

- **Debt** — Can you eliminate any debts by paying them off in full? Can you refinance any of your debts at a lower interest rate to reduce your monthly payments?
- **Entertainment** — Can you rent movies or attend matinees instead of going to evening showings of current movies? Consider visiting the library for movies, magazines and other reading materials.
- **Food** — Can you reduce the number of meals eaten at restaurants? Can you pack your meals for work and school?
- **Housing** — Can you save money by moving to a less expensive apartment? Do you have extra space available in your house to rent out?
- **Transportation** — Can you organize a car pool or use public transportation? Can you refinance your car loan for a better rate and a lower monthly payment?
Exploring Your Credit Report

Do you wonder whether you have good credit? You can find out by reviewing your credit report. Your credit report is an electronic record of your credit activities. These activities range from borrowing to buy a car or a home to applying for a loan or credit card. That's right — every time you apply for a credit card or other loan; an inquiry is documented on your credit report.

The Fair and Accurate Credit Transactions Act requires each of the three major credit reporting agencies (Experian, Equifax, and TransUnion) to provide you with a free copy of your credit report, at your request, once a year.

Brake Hard Now And Order Your Free Credit Report!

You can order your free credit report by logging onto the official website (www.annualcreditreport.com), calling a toll-free number 877-322-8228, or submitting your request in writing. To request your report in writing, follow the instructions on the website listed above and complete the Annual Credit Report Request Form. Don't be fooled by websites with similar names that want to charge you for your credit report!

Understanding Your Credit Report

There are four major types of information included in your credit report:

1. **Identifying information** — This includes your name, phone number, address, Social Security number and date of birth. It may also include a list of your current and previous employers and your previous addresses.

2. **Credit history** — Your credit history is a summary of your credit transactions. This is the core of the credit report. It includes your payment history, including any late payments to banks, credit card companies, retailers, and other lenders. Other lenders include mortgage and auto-finance companies. These items remain on your credit report for seven years.

3. **Public records** — If you owe a creditor or tax agency a debt and do not pay it, expect to have a public lien against you. For example, a person who owes property taxes but does not pay them is likely to have a lien filed against him or her by the local property tax board. Public records include any filings of personal bankruptcy or court judgments against you. Bankruptcies remain on your credit report for seven to 10 years.
4. **Inquiries** — An inquiry is an item on your credit report that shows that a business has previously requested a copy of your report. There are two types of inquiries: hard and soft. A hard inquiry affects your credit score, while a soft inquiry does not. Applying frequently for credit will run up the number of hard inquiries on your credit report. Some prospective lenders may interpret that as a sign of your desperation for credit.

A credit report also shows any current credit you have, including amounts owed, amounts available (such as on a credit card or other form of revolving credit), and payment amounts on installment loans.

**What Type of Information Is Not on My Credit Report?**

The following items are not on your credit report:

- **Deposit information or income** — Deposits that you have in banks, credit unions, or other financial institutions are assets, not debt, so they do not appear on your credit report.

- **Credit score** — Your credit score is generated based in part on the contents of your credit report. However, the score is not a part of the credit report. The credit bureaus will sell your credit score for a low price, however. We will discuss credit scores a little later.

- **Race, gender, ethnicity or national origin** — The Equal Credit Opportunity Act bans the use of this information in order to avoid any discrimination in lending practices.

- **Business debts** — If a business debt is guaranteed by you personally, it may show up on your personal credit report. If it is only guaranteed by a company, it won’t.
Summary of your rights: This section includes information on your right to know what is in your file, your right to ask for a credit score, your right to dispute incomplete or inaccurate information as well as how to contact various federal agencies.

Commonly asked questions: This question and answer section explains how to correct mistakes in your credit file as well as where to go for more advice and assistance.

Research Request Forms: If there appears to be incorrect information in your credit file, use this form to request an inquiry or to update your contact information.
Brake Now and Identify Any Errors on Your Credit Report

You should review your credit report from all three major credit bureaus at least once each year. Check for errors or omissions in any and all of the three reports. Differences may exist between the information they show and what you know about your credit history. If you find an error or something left out, contact the credit bureau directly. You can use the form letter that follows to alert the credit bureaus of errors on your credit report and ask that they be corrected.

Sample Dispute Letter

Date

Your Name, Your Address
Your City, State, Zip Code
Email address

Complaint Department
Name of Credit Reporting Agency Address
City, State, Zip Code

Dear Sir or Madam:

I am writing to dispute the following information in my file. I’ve [highlighted or circled] the items I dispute on the attached copy of the report I received.

This item [identify item or items disputed by name of source, such as name of creditor or tax court, and identify type of item, such as credit account, judgment, etc.] is inaccurate or incomplete because [describe what is inaccurate or incomplete and why]. I am requesting that the item be deleted [or request another specific change] to correct the information.

Enclosed are copies of [use this sentence if applicable and describe any enclosed documentation, such as payment records or court documents] supporting my position. Please reinvestigate [this matter or these matters] and [delete or correct] the disputed item[s] as soon as possible.

Sincerely,

Your name

Enclosures: [List what you are enclosing]
Rebuilding Your Credit Record

Chances are, you didn't get a negative credit history overnight, so it isn't likely you'll repair your credit record overnight. However, if you start to take some specific action steps now and take a proactive approach to dealing with this problem, you can rebuild your credit record and get back on track.

• **Get your credit report and correct any errors.** Start by contacting credit agencies to get a copy of your credit report. If there are errors on your credit report, use the sample letter on the previous page to contact the credit reporting agency and request that they investigate your claim.

• **Develop payment plans.** Contact your lenders to renegotiate payment plans.

• **Contact the organizations below to opt out of receiving unsolicited offers for credit cards to avoid the temptation of applying for them.**
  
  Mailing lists from three credit reporting agencies: 888-5OPTOUT (800-567-8688)
  
  Mail, telephone and e-mail preference services:
  Direct Marketing Association
  Mail Preference Service:  
  [www.dmaconsumers.org/cgi/offmailinglist](http://www.dmaconsumers.org/cgi/offmailinglist)
  
  Telephone Preference Service:  
  [www.dmaconsumers.org/cgi/offtelephone](http://www.dmaconsumers.org/cgi/offtelephone)
  
  Email Preference Service:  
  [www.dmaconsumers.org/consumers/optoutform_emps.shtml](http://www.dmaconsumers.org/consumers/optoutform_emps.shtml)
  
  Telemarketing calls:  
  [www.donotcall.gov](http://www.donotcall.gov)

• **Immediately stop purchasing with credit.** Take your credit cards out of your wallet. Store them in a spot that is hard to reach, or even cut them up.

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**Creating a Credit History**

Some people prefer to pay cash for things and as a result they might not have a credit history. Use the following suggestions to build your credit history.

• **Apply for a small loan at the bank, thrift, or credit union where you have checking and savings accounts.**

• **Apply for credit with a local store, such as a department store.** They typically have a lower credit limit and a higher annual percentage rate (APR), but are generally more willing to extend credit to you. There is usually no fee for department store cards.

• **Ask a friend or relative with an established credit history to be a co-signer for you.** A co-signer promises to repay the loan if you don't. The lender should report the payment information for both you and the co-signer to the credit reporting agencies.

• **Establish a nontraditional credit history.** Create a history of your timely rent, phone, utility and other regular payments. Keep copies of your cancelled checks, money order receipts, and rent statements. These documents will show that you have a history of making regular and on-time payments.

• **Pay your bills on time.** This will help establish a good credit history, so you can access credit in your name in the future.
• Consider consolidating debts. You may find it easier to make a single payment rather than several. You might also get a lower interest rate that will make it easier to keep up with payments. Remember that debt consolidation is not a cure-all. You have to learn to control your spending to avoid future debt.

• Don’t expect miracles. Don’t believe companies that promise to fix a poor credit rating quickly and painlessly for a fee. As long as it is accurate and timely, negative information cannot be removed from your credit record. The only way to improve a credit record is to let time pass and establish a record of on-time payment.

• Contact a credit counseling organization. You can obtain referrals for organizations in your area that will work for your best interest through the National Foundation for Consumer Credit, www.nfcc.org, 800-388-2227. If you have decided to tackle your credit issues in an effort to qualify to buy a home, contact the NeighborWorks® organization nearest you by clicking on www.nw.org/network/Utilities/NWOLookup.asp.

The Truth About Credit Repair

Only consistent efforts and making payments on your debts will improve your credit. Therefore, it’s important to carefully choose your credit counseling agency. Some businesses make promises about repairing your credit that they cannot deliver.

Beware of companies that:

• Promise to erase your bad credit or remove bankruptcies and judgments from your credit file. If negative information is in your credit report, but it’s accurate, then no one can have it removed.

• Promise you fast and easy credit repair. If you have bad credit, it can take years to repair your credit legitimately.

• Offer to create a new identity for you. If you make false statements on loan applications, or use a fake Social Security number, you will be committing fraud. You can also be charged for mail or wire fraud if you use the mail or telephone to apply for credit and provide false information.

• Want you to pay before they will provide any service. The company might not be legitimate.

• Will not tell you your rights and what you can do yourself. Remember you can order the credit report yourself. If you see errors on your report, you can also request that the credit reporting agencies correct them.
How Do Credit Scores Affect My Road to Housing Recovery?

Credit scoring is a system that creditors use to summarize the information in your credit report when they are deciding whether to give you credit, and if so how much to charge you for it. Information about you and your credit experiences, like your bill-paying history, the number and type of accounts you have, late payments, collection actions, outstanding debt, and the age of your accounts, is collected from your credit application and your credit report.

The FICO score is the credit-scoring model that most lenders use to determine if you are creditworthy. A FICO score is calculated using a computer model that compares the information in your credit report to what’s on the credit reports of thousands of other customers. FICO scores range from about 300 to 900. Generally, the higher the score, the lower the credit risks.

Do you wonder what goes into that mystical number known as your credit score? FICO scores consider five main factors. Your past payment history is the most important factor for your score. Your outstanding debt is the second most important factor. The length of time that you’ve had credit is the third most important factor, followed by any new applications for credit and the types of credit that you have. Use this knowledge to improve your credit score by paying attention to the most important factors — keeping on-time with payments and keeping a reasonable level of debt.

What Goes Into Your Credit Score

- Past payment history
- Outstanding debt
- New applications for credit
- Type of credit
- How long you’ve had credit
Avoiding the Pitfalls, Potholes, and Road Blocks to Housing Recovery

Becoming a homeowner is a major milestone, but once you purchase a home, you’ll need to take steps to maintain and protect it. This section of the guide will explain some of the things you can do to keep and maintain your home. The section provides information about using your home equity wisely, saving for emergencies, avoiding credit traps, avoiding foreclosure, managing taxes, and handling home maintenance and home repairs.

Avoiding the Debt Detour

Accumulating additional debt can cause you to detour off the road to housing recovery. New home buyers should avoid taking on any new debt for car loans, credit cards or revolving credit for at least one year after closing. It will take that long to get used to making the new mortgage payments and to really understand how much it costs to take care of your home.

Avoid the Foreclosure Pot Hole—It’s a Big One!

Many homeowners find themselves in situations where they are unable to make their mortgage payments and are in very real danger of losing their homes to foreclosure. If you can’t make your next mortgage payment, or if you are already behind, you need immediate help. The Homeownership Preservation Foundation has joined forces with mortgage lenders, nonprofit organizations, and city governments to provide homeowners with free assistance and resources to help you get back on track. Visit the Hope for Homeowners website at www.995hope.com, or call the homeownership hotline at 888-995-HOPE (4673) for immediate assistance.

What Should I Do If I Miss a Payment?

Asking for help is the most important factor in preventing foreclosures.

• Notify the bank as soon as you know your payment will be late. Calling when you are one or two months late is better than calling when you are four months behind in payments. Remember that foreclosure is not in the best interest of lenders. Lenders report that it costs up to $50,000 or almost half the loan balance each time they write off a foreclosure.

• Work it out. Depending on the situation, the lender may lower the interest rate, lower the borrower’s monthly payment, or enter into a repayment agreement for missed payments.
**What Are My Options If I Cannot Make Payments?**

Your mortgage lender may be willing to work with you to resolve the problem. In one way or another you will need to resolve the mortgage; it’s in the best interest of both your lender and yourself to resolve the issue without forcing you into personal bankruptcy. Some options include:

- **Forbearance** — You are allowed to delay payments for a short period, with the understanding that another option will be used afterwards to bring the account current.

- **Reinstatement** — Although you are behind in your payments, you can promise a lump sum to bring payments current by a specific date.

- **Repayment Plan** — If your account is past due but you can now make payments, the lender may agree to let you catch up by adding a portion of the past due amount to each current monthly payment until the amount owed before is paid off.

- **Modifying Your Mortgage** — The lender can modify your mortgage to extend the length of your loan (or take other steps to reduce your payments). One solution is to add the past due amount into your existing loan financing it over a longer term.

- **Selling Your Home** — If catching up on payments is not possible, the lender might agree to put foreclosure on hold to give you some time to attempt to sell your home.

- **Property Give-Back** — The lender can allow you to give-back your property — and then forgive the debt. Give-backs do, however, have a negative impact on your credit record, although not as much as a foreclosure. The lender might require that you attempt to sell the house for a specific time period before agreeing to this option, and it might not be possible if there are other liens against the home. This option is also called a “deed-in-lieu.”

**Steer Clear of Predatory Lenders**

One of the ways to stay on your road to housing recovery is to steer clear of bad deals. Bad deals such as predatory loans and home improvement scams can strip you of your hard-earned money. This section describes some of the bad deals that you should avoid.

Predatory lenders target consumers who are uninformed, have credit problems, or are desperate to get a loan. The loans they offer include very high fees and charges, and misleading terms and conditions. These lenders may use aggressive and/or deceitful practices, and may strip the homeowner’s equity that has been built up over time. These practices may even lead a borrower into such levels of debt that they end up losing their home.
Who Do Predatory Lenders Target?
Predatory lenders look for homeowners who have a lot of equity in their homes, but have poor credit and need cash. Seniors, people of color, and low- and moderate-income households are frequent targets. Often, a victim of predatory lending will be in a financial crisis brought on by an illness, a sudden loss of income due to job loss or death of a spouse, or a need for major home repairs. The victim may have fallen behind on loan payments and may be facing foreclosure.

What If I Think I Have a Predatory Loan?
Get help from a trusted source. Contact legal aid and the state attorney general’s office to file a complaint. Most communities have offices that provide free legal services to individuals with limited income. The state Resource Guide in Route 4 includes contact information for legal help in your area.

In addition, you can look in the community services pages of your phone book or look in the Yellow Pages under “Legal Services” for the phone number of the local program. The American Bar Association has a directory of volunteer (pro bono) lawyer programs. These programs use local lawyers who have agreed to provide free legal services. The following website can help you find assistance in your area, www.findlegalhelp.org.

Loan modifications are also subject to scams. In response to the proliferation of loan modification scams, NeighborWorks® America launched a national public education campaign to empower homeowners to identify, avoid, and report loan modification scams. Visit the website of Loan Modification Scam Alert at www.loanscamalert.org, to learn about some of the most common scams, hear testimonials, and report suspected scams. You may also call at 888-995-4673.

Caution:

Predatory Loans — Don’t Take This Dead End Street

• Shop Around — Don’t trust door-to-door or phone salespeople offering you a “bargain.”

• Watch out for bad loan terms — Avoid balloon payments, high interest rates, prepayment penalties, and credit life insurance.

• Ask questions — Don’t be afraid to ask questions if you don’t understand something; you have a legal right to know the total cost of your loan, the annual percentage rate, the monthly payments, and how long you have to pay back the loan.

• Don’t sign — Don’t sign a blank document or anything the lender promises to fill in later or any document you have not read or do not understand.

• Talk to someone you trust — Contact a nonprofit housing organization to review the loan before you sign anything.

• If you think you are a victim of home loan fraud — File a complaint with the your local attorney general’s office.

• Right of rescission — You have three days to cancel a home equity loan! If you review the loan terms and change your mind, contact the lender to cancel and don’t take no for an answer.
Seller Beware —
Not Every Offer is a Good Offer

As a homeowner, you may be approached by various people or companies trying to buy your house way below its fair market value so they can resell it for a quick profit. Even if your home has been totally destroyed, it is likely that your property still has value and should be considered an asset. You should evaluate all your options, including repairing and rebuilding, before selling your home at a deep discount.

In addition, some people may pretend to be helping you to avoid a foreclosure and offer you fast cash to trick you into signing transfer of ownership papers. Steer clear of these offers. Typically, these scam artists strip your equity by giving you bottom dollar for your asset so they can take the title and sell your home at a handsome profit.

Extreme Caution Required When
Hiring a Contractor to Repair or
Rebuild Your Home

Your home is probably your most valuable asset. It’s important to be very selective when you hire someone to rebuild or repair it. In most cases, disasters bring out the best in people — neighbors who want to work together to rebuild. However, disaster can also bring out the worst in some. It is prudent to exercise extreme caution. In past disasters, unscrupulous contractors took advantage of disaster survivors. If only these families had followed a few simple guidelines BEFORE they chose their contractor.

Finding a reputable contractor

• The first step is to decide what you want done before you begin contacting potential contractors. If you don’t know what work you want completed, you may end up with less than you need or more than you can afford. Make a list of what you need and be as specific as possible.

Don’t Take the Bait from Quick Sale Buyers

• Beware of ads or websites that include statements such as, “We buy houses in any condition,” “Cash today,” and so on.

• Beware of aggressive agents. Buyers may contact you by telephone, mail, flyer and by coming door-to-door. If they are very anxious to get your business, it may not be a good sign.

• Buyers may find an agent with a background similar to yours to gain your trust and give you a false sense of security. They hope you will sell out to them based on your relationship with the agent — instead of based on true knowledge and understanding of the value of your house.

• Beware of bait-and-switch tactics. Some crooks will knowingly offer you a higher amount that is more appealing. After you show an interest to sell, they may tell you that the offer has dropped and pressure you to sell at a much lower price.

• Do not be pressured to sign any document because the offer is only good for a “limited time” or “today only.” You need a chance to review the document with your attorney, legal advisor, or someone you can trust.
To identify a contractor, get recommendations from friends, research the contractor's reputation, and get written estimates. Ask friends, family, coworkers, and neighbors to recommend contractors who did good work for them in the past. Some neighborhood associations maintain a list of contractors and repair services that members recommend. The Resource Guides at Route 4 can direct you to lists of licensed local contractors.

Contact at least three different contractors to compare their services. Ask for references and talk to their previous and current customers. Ask previous customers if the contractors performed quality work and stayed within cost estimates. Check to see if there are excessive complaints on file at the licensing bureau, the local consumer affairs office, or the Better Business Bureau. Ask the contractor for copies of current licenses and insurance certificates. Most states require electrical and plumbing contractors to be licensed. The contractor should carry personal liability, workers compensation, and property damage insurance.

When comparing contractors, get written estimates from them. Make sure that all of the estimates are based on the same specifications. Once you have chosen a contractor, get a written contract that outlines who is performing the work, what work is being done, where the work is being done, the start date and completion date, and what it will cost. The contract should be clear, concise and complete. Get all guarantees, warranties and promises in writing.

Steering Clear of Scams
Following catastrophic events there is usually a spike in reports of fake websites, fraudulent phone calls, or scam e-mails claiming to be from legitimate charitable organizations but are actually criminals pocketing donations that were intended to go to disaster victims. You can avoid becoming a victim by taking these precautions:

- **Don’t give cash** — Use either a check or a credit card so that you have some consumer protection, such as placing a hold on a check or disputing the transaction with the credit card company.

- **Protect your personal and financial information** — Never divulge your bank or Social Security number or other personal information.

- **Know who you’re giving to** — Give only to charities that you know or you have researched thoroughly.

- **Use special precautions when donating online** — Don’t follow a link from one website to another. This can lead to a fake website operated by a scam artist, even though the site may look identical to the real website.
• **Watch out for unsolicited offers** — Check out any unsolicited offers of repairs or other products or services for disaster victims.

• **Report suspected frauds** — The Resource Guides at Route 4 list state and local contact information for reporting suspected fraud.

**It’s Not Auto Theft, But It’s Just as Dangerous**

Identity theft occurs when someone uses your personal information to get a credit card or loan or do other financial activities — in your name. These fraudulent transactions can affect your credit rating and finances if they are not identified and handled immediately.

**Take the Following Steps To Avoid Identity Theft:**

• Guard your personal information. When someone asks for personal information, such as your Social Security or credit card number, find out how the information will be used and if it will be shared with others.

• Review your billing statements. If your bills don’t arrive on time, contact your creditors. A missing credit card bill might mean that an identity thief has changed your billing address and is using your account.

• Guard your mail from thieves. Pick up your mail from your mailbox as soon as possible. Place outgoing mail in mailboxes rather than leaving them out for pickup by your mail carrier.

• Do not give out personal information. Avoid giving personal information over the phone or through the mail. Thieves can pose as bankers, government officials, or others to get you to reveal your Social Security number or your bank account number.

• Keep items with your personal information safe. When you throw away receipts, credit card applications, or old checks or billing statements, make sure to shred them first.

**Alert:**

**If You Think Your Identity Has Been Stolen**

If you believe you are a victim of identity theft, take action immediately! Keep records of all conversations and correspondence in case you need to refer to them later or prove that you took action to minimize the damage to your credit.

• File a police report. Your bank and credit reporting agencies may need a copy of this report and its case number.

• Notify your bank. You may need to close your accounts and move your funds to new ones.

• Cancel all of your credit cards immediately.

• Your credit card companies will send you new credit cards with new numbers.

• Notify the three major credit reporting agencies to place a fraud alert on your credit cards.

• Report the suspected identity theft to the Federal Trade Commission at [www.ftc.gov/bcp/edu/microsites/idtheft](http://www.ftc.gov/bcp/edu/microsites/idtheft) or 877-ID-THEFT (877-438-4338)
Carefully choose your Personal Identification Number or PIN. When you set up your PIN for your ATM or debit card, don’t use a number that a person could easily associate with you, such as a birth date, Social Security number, or phone number. Use a number that only you know and that you can recall easily.

Check your credit. Order a copy of your credit report every year. Catch mistakes and fraud before they ruin your personal finances.

Caution!
Bankruptcy May Not Be the Best Choice

Personal bankruptcy as an option for dealing with debt should be the “last resort” option because the results are long-lasting and far-reaching. A bankruptcy stays on your credit report for seven to 10 years, and can make it difficult to obtain credit, buy a home, get life insurance, or even get a job.

The Bankruptcy Abuse Prevention and Consumer Protection Act, which took effect in October 2005, makes it harder to file for Chapter 7 bankruptcy and steers more people toward repaying a portion of their debts through a Chapter 13 bankruptcy. Instead of wiping out debts under Chapter 7, many debtors will have to establish up to five-year repayment plans under a Chapter 13 plan.

This law includes several changes that might affect you. You won’t be allowed to file for Chapter 7 if your income is above your state’s median and if you can afford to pay 25 percent of your unsecured debt. You also may not discharge new debt. If you have credit card debt, cash advances, and other forms of consumer debt borrowed within 70 days of a bankruptcy filing, it might not be discharged under the new law. The court will review your finances and determine how much you have available to pay debts, and you will be required to undergo credit counseling before applying for bankruptcy.

Before Deciding to File for Bankruptcy

- Reduce your spending. Consider a smaller home or vehicle. Slash your spending, and you may be surprised to find enough money left over to repay the debt you’ve built up.
- Talk with your creditors. Despite what you may have heard, your creditors are often willing to work out a payment plan to help you pay off what you owe. This is preferable to having a bankruptcy filing on your credit report.
- Talk with a nonprofit counseling agency. These agencies can help you create a plan that will handle all of your debts.
- Talk to at least 3 bankruptcy attorneys (during free initial counseling sessions) to get feedback about filing. Be sure you understand the consequences of declaring bankruptcy.
- You may be able to borrow against a workplace retirement plan, stocks, other securities you own, or the cash value of a life insurance policy in order to pay off your debt. However, all of those options have serious implications. Make sure you analyze the potential risks and consequences thoroughly.
Know Your Rights

As a consumer, you have rights that are protected by law. Consumer credit laws regulate creditors and the three major credit reporting agencies and are designed to protect you. For example, they protect you from discrimination by companies that give credit and require creditors to give reasons for not doing business with you. If you feel you have not been treated fairly or have been discriminated against, consumer credit laws will be important to you.

Below is a summary of some of the key consumer protection laws that you should understand so that you are treated fairly and within the law.

**Equal Credit Opportunity Act (ECOA)**

The Equal Credit Opportunity Act protects consumer rights throughout the loan process. Lenders cannot discourage you from applying for a loan based on certain characteristics you may have. The ECOA makes sure that credit is available to all applicants who qualify for credit, without regard to the following factors: race, color, religion, national origin, sex, marital status, age, or receipt of public assistance income. You also cannot be denied credit if you exercise your rights under the Consumer Credit Protection Act (for example, you cannot be denied a loan because you have filed a complaint against the bank). ECOA also restricts the lender from requesting certain information during the loan application process.

**Fair Credit Billing Act**

The Fair Credit Billing Act requires creditors to promptly credit payments and correct billing mistakes for open-ended accounts such as credit cards. It also allows you to withhold payments on defective goods. Examples of billing errors include a charge for something you did not buy, a charge that is different from the actual purchase price, or an error in math (for example, the total does not add up, or there is an error in the amount of interest added).

If you think there is an error on your bill you should notify your creditor in writing within 60 days of receipt of the incorrect bill. Include your name, account number, and what you believe is the error. Keep a copy of the letter.

**Fair Debt Collection Practices Act (FDCPA)**

The Fair Debt Collection Practices Act requires that debt collectors treat you fairly and bans unfair, deceptive, or abusive debt collection practices. This law applies to personal and household debts including: money owed for the purchase of a car, medical care, or charge accounts. Under this law, debt collectors other than your creditor cannot:

- Contact you at any unusual time or place.
- Contact you at work if you have informed them not to call you there.
• Use threat of violence or other criminal means to harm you or your property.
• Call you with the intent to annoy, abuse or harass you.
• Call you without identifying themselves.
• Use deceptive or misleading methods to collect debt.

**Fair Housing Act (FHA)**

The Fair Housing Act prohibits discrimination in housing-related transactions based on race, color, religion, sex, national origin, familial status, or handicap.

**Real Estate Settlement Procedures Act (RESPA)**

When you are closing on a mortgage, the Real Estate Settlement Procedures Act requires that lenders provide you with accurate and timely information on the costs of settlement, such as loan origination fees (points), brokers’ commissions, and title charges. RESPA was designed to prevent abusive practices, such as kickbacks for loan referrals.

**Truth In Lending Act (TILA)**

This law requires lenders to disclose the total cost of a loan, including the finance charge and the Annual Percentage Rate, or APR. In addition, it gives consumers the right to cancel certain types of home loans within three days.

**You Are Nearing This Journey’s End:**
**Take the Off Ramp to Route 4**

You’ve identified a final destination, picked up a good map, connected with a few trusted travel companions, and steered clear of the warning signs along the way. Now it’s time to kick back and cruise onto the State Quick Resource Guides and Route 4, where you’ll locate information and the resources nearest you! Safe travels to you and your family!
Consumer, Government, and Nonprofit Resources

Banking and Financial Institutions

Federal Deposit Insurance Corporation (FDIC)
Consumer Call Center: 877-275-3342 or 877-ASK-FDIC
TDD: 800-925-4618

The FDIC insures deposits at more than 8,700 banks and savings associations across the country. It also promotes the safety and soundness of these banks and savings associations by identifying, monitoring, and addressing their risks. The FDIC assists consumers and promotes compliance with fair lending, Community Reinvestment Act, and other consumer protection laws and regulations. It also works with lenders, organizations, and the general public to revitalize and educate communities.

The FDIC has a hurricane recovery page on its website with information for you and bankers in the affected areas. Visit www.fdic.gov/news/disaster/sandy. This website contains helpful information regarding frequently asked questions by bank customers, guidance provided to banks, a wealth of consumer tips, and links to other useful websites. The FDIC is working cooperatively with all of the state and federal banking agencies and other organizations. The hurricane webpage is updated as more information becomes available. The FDIC maintains a consumer call center (see phone number above) to provide assistance in addressing any inquiries you may have.

In addition, the FDIC’s consumer outreach programs and publications address the concerns of depositors and other customers of banks and savings associations. A wide assortment of publications for consumer and community groups, as well as the FDIC’s Money Smart financial education program, are available on the website at www.fdic.gov/consumers/consumer/index.html. You can also connect to the FDIC via Facebook, Twitter, and YouTube.
Federal Reserve System
20th and C Streets, NW
Washington, DC 20551
Telephone: 202-452-3245 or 202-452-3693
Fax: 202-728-5886
Website: www.federalreserve.gov

The Federal Reserve System was founded to provide the nation with a safer, more flexible and more stable monetary and financial system. The Federal Reserve Board provides a clearinghouse of consumer publications on banking, finance, protection, homeownership and mortgages, interest rates, and loans and credit. The clearinghouse contains publications that can be ordered, online brochures, and teaching materials in different formats.

National Credit Union Administration (NCUA)
1775 Duke Street
Alexandria, VA 22314
Telephone: 703-518-6300
Website: www.ncua.gov

The National Credit Union Administration is an independent federal agency that supervises and insures federal credit unions and insures state-chartered credit unions. It is entirely funded by credit unions and receives no tax dollars. A monthly newsletter, The NCUA Report (available by print or on-line), covers news of credit unions around the country and spotlights topics of interest to credit union members.

Office of the Comptroller of the Currency
Comptroller of the Currency Administrator of National Banks
Washington, DC 20219
Telephone: 800-613-6743
TDD: 713-658-0340
Websites: www.occ.treas.gov; www.helpwithmybank.gov

The OCC charters, regulates, and supervises national banks to ensure a safe, sound, and competitive banking system that supports the citizens, communities, and economy of the United States. National banks can usually be identified because they have the words “national” or “national association” in their titles or the letters N.A. or NT&SA following their titles. The OCC website includes materials for consumer education and for professionals working in the fair housing and fair lending fields. A quarterly newsletter is available in print and online.

OCC has a Hurricane Central webpage that provides a central repository for hurricane-related information for national banks, their customers, and other regulatory agencies. Customers with questions regarding national banks that cannot be resolved through the bank should contact the OCC’s Customer Assistance Group via the contact information above.
Nonprofit and Consumer Protection Organizations

Consumer Action (CA)
221 Main Street, Suite 480
San Francisco, CA 94105
Telephone: 415-777-9635
Website: www.consumer-action.org
CA refers consumers to complaint-handling agencies through its free hotline; publishes educational materials on credit banking, insurance, utilities, and HMOs (in a number of languages); and provides outreach and technical assistance to a national network of community-based and government agencies.

Consumer Federation of America (CFA)
1620 I Street NW, Suite 200
Washington DC 20006
Telephone: 202-387-6121
Website: www.consumerfed.org
CFA promotes consumer education by disseminating information to the public on consumer issues such as managing consumer debt, banking and product safety.

Consumer Finance Protection Bureau (CFPB)
P.O. Box 4503
Iowa City, Iowa 52244
Telephone: 855-411-CFPB (2372); Español (855) 411-CFPB (2372); or TTY/TDD (855) 729-CFPB (2372);
Fax: 855-237-2392
Website: www.consumerfinance.gov
The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Finance Protection Bureau (CFPB). The CFPB is working to give consumers the information they need to understand the terms of their agreements with financial companies. It is also working to make regulations and guidance as clear and streamlined as possible so providers of consumer financial products and services can follow the rules on their own.
Among other things, the CFPB:

- Conducts rule-making, supervision, and enforcement for Federal consumer financial protection laws;
- Restricts unfair, deceptive, or abusive acts or practices;
- Takes consumer complaints;
- Promotes financial education;
- Researches consumer behavior;
- Monitors financial markets for new risks to consumers; and
- Enforces laws that outlaw discrimination and other unfair treatment in consumer finance.

If you believe you may have been a target of deceptive practices related to a bank account or service, credit card, credit reporting, money transfer, mortgage, student loan or vehicle or consumer loan, you may submit a complaint to the CFPB at www.consumerfinance.gov/complaint or at (855) 411-2372.

Hope Coalition America (HCA)

HOPE GLOBAL HEADQUARTERS
707 Wilshire Boulevard, 30th Floor
Los Angeles, California 90017
Telephone: 877-592-HOPE (4673) or 213-891-2900
Fax: 213-489-7511
Website: www.operationhope.org

HOPE Coalition America is the national emergency preparedness and assistance division of Operation HOPE, Inc. The coalition is a collaboration of senior executives and professionals from the banking and financial services, insurance, higher education, social service, and community services agencies, which provide financial and economic guidance and assistance to individuals and small businesses affected by emergencies and disasters.

The HCA has two useful publications: the Emergency Financial First Aid Kit (EFFAK) helps you to create detailed listings of your important personal contact, financial and legal information; and the companion document, the Personal Disaster Preparedness Guide (PDPG), guides you through survival and recovery information and the steps you should take prior to an emergency. Both publications are available in English and Spanish free of charge on their website.
For individuals affected by the hurricane and ready to seek assistance in rebuilding their financial lives by obtaining lost or destroyed personal identification documents, assistance with deferring mortgage payments and obtaining copies of destroyed financial documents, call the toll free number above. HCA’s free services include:

• Predisaster preparedness seminars, featuring the EFPAK and PDPG documents
• Emergency budget counseling
• Emergency credit management
• Assistance with deferring mortgage payments
• Assistance with working with your creditors
• Referrals to government and private agencies
• Assistance with obtaining copies of destroyed financial documents.
• Insurance claims assistance

National Consumer Law Center (NCLC)
7 Winthrop Square
Boston, MA 02110-1006
Telephone: 617-542-8010
Fax: 617-542-8028
Website: www.nclc.org

NCLC is a nonprofit consumer law resource center for legal answers, policy analysis, technical assistance, and legal support, particularly on issues involving consumer fraud, debt collection, consumer finance law, and homeownership. NCLC provides free consumer information on topics such as credit, scams, fraud, foreclosure prevention, and reverse mortgages. It also sponsors conferences, trainings, and other events on consumer issues. NCLC’s book Surviving Debt can be ordered from the website for a fee.

National Consumers League (NCL)
1701 K Street, NW, Suite 1200
Washington, DC 20006
Telephone: 202-835-3323
Fax: 202-835-0747
E-mail: info@nclnet.org
Website: www.nclnet.org

The NCL uses research and education to advocate for consumers. NCL sponsors national conferences and legislative briefings that address consumer issues. It develops training materials, low-cost brochures and publications on subjects such as consumer credit. NCL also operates the National Fraud Information Center, a toll-free hotline that offers help and support to victims of telemarketing and Internet fraud.
**National Foundation for Consumer Credit (NFCC)**

2000 M Street, NW Suite 505  
Washington, DC 20036  
Telephone: 202-677-4300 or toll free 800-388-2227  
Website: [www.nfcc.org](http://www.nfcc.org)

NFCC is a network of more than 1,300 nonprofit agencies that provide money management education, confidential budget, credit, and debt counseling, and debt repayment plans for individuals and families. To find an affiliate agency in your area call 800-388-2227.

**NeighborWorks® America**

1325 G Street, NW, Suite 800  
Washington, DC 20005  
Telephone: 202-220-2300  
Websites: [www.nw.org](http://www.nw.org); [www.keystomyhome.org](http://www.keystomyhome.org)

A nonprofit organization created by Congress, NeighborWorks® America has a national network of more than 240 community-based organizations in 50 states creating healthy communities through the work of thousands of residents, business people, government officials and other partners. Together with national and local partners, NeighborWorks® America creates new opportunities for residents while improving communities. NeighborWorks® provides consumer information about the homebuying rules of the road at [www.keystomyhome.org](http://www.keystomyhome.org).
Other Federal Agencies

Federal Trade Commission (FTC)
600 Pennsylvania Avenue, NW
Washington, DC 20580
Telephone: 202-326-2222 or toll free 877-FTC-HELP (877-382-4357)

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. The FTC enforces a variety of federal antitrust and consumer protection laws, and other financial and lending practices affecting consumers — including Equal Credit Opportunity Act (ECOA) violations involving mortgage and consumer finance companies.

As part of its consumer education campaign, the FTC has a large clearinghouse of consumer fact sheets in English and Spanish and lists of federal Rules and Acts that protect consumers on a variety of topics, including credit, privacy and investments.

Social Security Administration
Office of Public Inquiries
Windsor Park Building
6401 Security Boulevard
Baltimore, MD 21235
Telephone: 800-772-1213
Website: www.ssa.gov

Social Security was set up in 1935 as a way for the community to respond to life’s uncertainties and times of vulnerability, such as unemployment, illness, disability, death, and old age. The SSA pays retirement, disability and survivors benefits to workers and their families and administers the Supplemental Security Income program. It also issues Social Security numbers. Its website has helpful information on these programs and how to apply for benefits.
U.S. Department of Housing and Urban Development

451 Seventh Street, SW
Washington, DC 20410
Telephone: 202-708-1112
TTY: 202-708-1455

HUD’s mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. HUD has a wealth of information on housing assistance programs, as well as useful housing information related to buying, selling, owning, renting, homelessness, and home improvements. In addition, it establishes partnerships — particularly with faith-based and community organizations — that leverage resources and improve HUD’s ability to be effective on the community level.

In the Consumer Information section of its website, HUD has consumer tip sheets on avoiding fraud, information on homebuyers’ and borrowers’ rights, and many resources for potential homebuyers, including information on shopping for a mortgage, working with a real estate agent and calculating an affordable mortgage.

HUD also has a Hurricane Recovery Resources Web page, which is listed above.

U.S. Department of Labor

200 Constitution Avenue, NW
Washington, DC 20210
Telephone: 866-487-2365
TTY: 877-889-5627
Website: www.dol.gov

The Pension and Welfare Benefits Administration assists workers in getting the information they need to protect their benefit rights. Its website offers consumer information on topics such as retirement, pension benefits, health benefits and insurance.
Resource Guide for Finding the Assistance Crew Nearest You

Route 4 comprehensive Resource Guide for finding valuable Hurricane Sandy disaster resources in New Jersey.
New Jersey Resources

Housing Counseling Agencies

Whether you are interested in buying or renting, housing counseling agencies are an important source of housing information, advice, counseling, education, and financing. In this section we will tell you how to locate the one nearest you.

HUD Housing Counseling Agencies

The easiest place to start is the website of the U.S. Department of Housing and Urban Development (HUD), which is www.hud.gov or www.hud.gov/sandy.

- Look for the section “I Want to” in the middle of the HUD homepage.
- Click on the link that reads “Talk to a Housing Counselor.”
- That link will bring you to a new page where you can click on a link to search for a housing counseling agency. You may also call 800-569-4287 for HUD’s interactive system.
- Click on New Jersey, and it will bring up a list of all the HUD-approved housing counseling agencies in the state, including a brief description of the services these agencies provide and their contact information. You can scan the listings to find the agency that is most convenient for you.

National Industry Standards for Homeownership Education and Counseling

Adoption of the National Industry Standards for Homeownership Education and Counseling shows that an organization is dedicated to providing a high level of quality and professionalism that current and future homeowners can recognize and expect. High standards encourage excellence and help guide professional conduct and decision-making in the field. You can find an organization near you that has adopted these Standards at www.homeownershipstandards.org.

Working with an organization that has adopted the National Industry Standards gives existing and future homeowners the confidence that counselors/educators will:

- Provide their clients with correct and consistent information
- Represent a solid source of information to draw on before and after the home purchase
- Have the tools and knowledge to support their work
- Have pledged to serve clients with competence, fairness, and respect
The NeighborWorks® Network

NeighborWorks® America supports over 235 independent, community-based nonprofit organizations across the country known as the NeighborWorks® Network. These nonprofits provide valuable housing-related services in more than 4,500 communities in America. They are staffed by counselors who serve as advocates to families who already own their homes or who are interested in pursuing homeownership. Services include prepurchase counseling, financial fitness classes, default and foreclosure prevention counseling, affordable financing and a host of other products and services. To locate the NeighborWorks® Network member nearest you, go to www.nw.org and use the “Find a NeighborWorks® Organization” link located on the right hand side of the home page. You can search by your zip code or search the state of New Jersey.

NeighborWorks® Center for Foreclosure Solutions

The NeighborWorks® Center for Foreclosure Solutions (CFS) offers free counseling nationwide through its hotline at 888-995-HOPE (4673). If you are delinquent and facing foreclosure, its trained counselors may be able to help you develop a budget and spending plan that can get you back on track. At http://nw.org/network/foreclosure/default.asp you can find links to locate a foreclosure counselor, learn about mortgage modification scams, and explain mortgage refinance and modification options. Also available are links to videos and other resources on what to do when facing foreclosure, how to prevent foreclosure, and other topics.

Finding Affordable Rental Units in New Jersey

New Jersey Housing Resource Center (NJHRC)

Search for available rental housing on the New Jersey Housing Resource Center (NJHRC) website, www.njhrc.gov. Landlords throughout New Jersey are opening their available properties to Hurricane Sandy survivors. The site hosts information on available properties statewide, and the database is updated daily. Simply visit the website at www.njhrc.gov and click on “Find Housing” to get started. Or, call toll-free for housing information at 1-877-428-8844.

Public Housing Authorities (PHAs) and Section 8 Housing Choice Vouchers

You can find a list of all the public housing authorities in New Jersey at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha/contacts. Search for one that is in or near the area you wish to live in. These agencies typically administer both public housing and the Section 8 Housing Choice Voucher program.
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
Trenton, NJ 08650
Telephone: 609-278-7400
Consumer Hotline: 800-NJ House (800-654-6873)
Website: www.njhousing.gov

The New Jersey Housing and Mortgage Finance Agency (HMFA) is dedicated to increasing the availability of and accessibility to safe, decent, and affordable housing to families in New Jersey. In some cases this may mean working with traditional affordable housing developments serving New Jersey’s most needy families. In other instances it is working with First-Time Homebuyers, senior citizens, and/or the disabled in our special needs communities. In every situation HMFA is committed to make quality housing available at costs affordable to New Jersey residents.

The New Jersey HMFA has assembled a list of housing resources for those New Jersey residents who have been affected by Hurricane Sandy. Visit the website shown above for more information.

Disaster Unemployment Assistance

Federal Disaster Unemployment Assistance (DUA) is available to residents throughout New Jersey who were living or working in New Jersey at the time of the disaster, and who are unemployed as a direct result of the damages caused by the storm. Most impacted workers may already qualify for regular Unemployment Insurance at www.njuifile.net. The federal DUA is a special program that covers many people who otherwise may not be eligible for regular Unemployment Insurance. If you are unemployed because of the disaster that began on October 28, you should FIRST file for unemployment insurance benefits through the state website www.njuifile.net.

Claims registered online are processed faster. However, if needed, you may also file a claim by telephone by contacting the state Department of Labor’s Re-employment Call Centers at:

North Jersey: 201-601-4100
Central Jersey: 732-761-2020
South Jersey: 856-507-2340

Learn more about Unemployment Insurance and job search assistance. www.nj211.org/images/HurricaneSandy/employmentdua.pdf

Get more information on related programs and services from the New Jersey Department of Labor and Workforce Development. http://lwd.dol.state.nj.us/labor/wnjpin/wnjpin_index.html
Low-Cost and No-Cost Legal Assistance

Legal Services of New Jersey can assist with civil legal services for low-income people including housing, family, consumer, public entitlements, education, employment, and health care access. Please visit www.lsnj.org, or call 888-LSNJ-LAW (888-576-5529).

Disaster Legal Services provided for free by the Young Lawyers Division of the American Bar Association, www.americanbar.org/disaster or 888-541-1900, is now available for survivors in New Jersey facing legal issues due to Hurricane Sandy. Residents who cannot afford to pay an attorney can call the hotline to request free legal assistance.

The type of legal assistance or counseling available includes:

- Replacing legal documents that may have been lost due to flooding
- Life, medical, and property insurance-related claims
- Consumer protection matters, remedies, and procedures
- Mortgage-foreclosure problems
- Landlord/tenant problems
- FEMA creditor-debtor matters

Through an intake process, callers will be matched with a volunteer attorney who can provide assistance or general legal information. Callers should say that they are seeking legal assistance related to Hurricane Sandy. The hotline will be staffed during normal business hours, but messages can be left at any time.

The hotline is part of a long-standing partnership between FEMA and the ABA, and is administered by the New Jersey State Bar Association through its Mass Disaster Response Program.

Free legal services for nonprofit organizations are also available. The Pro Bono Partnership provides business and transactional legal services without charge to nonprofit organizations serving the disadvantaged — enhancing the quality of life in New York, New Jersey, and Connecticut. Contact them for legal assistance on issues that your organization may be facing as a result of Hurricane Sandy, such as questions concerning employee compensation, real estate issues, or insurance coverage. Learn more at www.probonopartner.org.
Resources for Buying and Selling

To find real estate agents in New Jersey, visit www.njrealtor.com. RealSource Association of REALTORS® is the professional association serving more than 3,000 REALTOR® Members throughout northeastern New Jersey (Bergen, Passaic, Hudson Counties). RealSource also serves as a resource for buyers and sellers — offering valuable real estate information, tips, and suggestions, local market statistics and much more. If you’re considering relocating to a different state, contact the National Association of REALTORS® at www.REALTOR.org.

If you are interested in “for sale by owner” (FSBO) listings, look for print ads in the entrance of your local shopping center or search online. A few options for New Jersey that came up on a recent online search are listed below, but there are others as well.

www.forsalebyowner.com
http://www.homesbyowner.com/new_jersey
www.owners.com/nj

Property owners in areas affected by Hurricane Sandy may also consider state buy back options such as New Jersey’s Blue Acres program. Through Blue Acres, New Jersey municipalities may receive funding to purchase properties in flood-prone areas. Federal funding from FEMA may also be available to municipalities for similar purposes. See www.state.nj.us/dep/greenacres/blue_flood_ac.html for additional information.

Finding a Contractor

Homeadvisor.com
www.homeadvisor.com

Home Advisor.com (formerly known as ServiceMagic.com) can help you find contractors to fit your needs. If you answer some simple questions about your building needs, at the Home Advisor website you can find a list of prescreened contractors.

New Jersey Department of Law & Public Safety, Division of Consumer Affairs License Verification System
www.njconsumeraffairs.gov/LVinfo.htm

This is a real-time system with access to the most current professional license information.

Creating a Healthy Home: A Field Guide for Clean-Up of Flooded Homes

This is a practical guide developed by Enterprise Community Partners, Inc., the National Center for Healthy Housing, NeighborWorks® America, and Neighborhood Housing Services of New Orleans. The methods were tested on four flooded homes in New Orleans. You can download the guide for free at http://www.practitionerresources.org/cache/documents/54278.pdf or http://www.nchh.org/tabid/139/default.aspx?ContentID=158
Finding a Home Inspector

The American Society of Home Inspectors
www.ashi.org

At this website you can search for a certified home inspector in your area.

Landlord Training

Landlord Academy
www.rentalpropertysystems.com/systems/

The Landlord Academy offers introductory and continuing education online to landlords and property managers.

The Property Owners Association of New Jersey
www.poanj.org

The Property Owners Association of New Jersey, Inc. exists to bring together owners and operators of residential real estate, interested persons, and related industry personnel for educational and information sharing purposes. The organization is comprised of owners and managers of apartment units and other individuals who work in fields related to the housing industry. Online training is offered.

Faith-Based Organizations and Social Service Agencies

2-1-1 Search
www.nj211.org/hurricane.cfm

2-1-1 Search is a search engine that finds 2-1-1 call centers or other information and referral related sites in the United States. New Jersey 2-1-1 has compiled a comprehensive list of disaster response and social service providers organized by county.

Catholic Charities
www.ccnewjersey.org

Check with Catholic Charities for mental health services, information and referral, help with rent or mortgage payments, and assistance with a range of other post-disaster issues. See the website to find the Catholic Charities nearest to you.
**Habitat for Humanity**

www.habitat.org

Habitat for Humanity is responding to Hurricane Sandy by providing community clean up, emergency home repairs, rehab services and on-going support through Habitat ReStores which provides discounted construction materials and furniture. Visit the website for more information.

**Lutheran Social Ministries of New Jersey (LSM/NJ)**

3 Manhattan Drive
Burlington, NJ 08016
Telephone: 609-386-7171
Fax: 609-386-7191
Email: info@lsmnj.org
Website: www.lsmnj.org

Lutheran Social Ministries of New Jersey (LSM/NJ) is a faith-based, not-for-profit organization whose scope of services is broad. Each year LSM/NJ reaches out and assists more than 5,300 people — providing hospitality, healing, and hope to residents of New Jersey regardless of religious affiliation or background. As a mission-driven organization, we continually work to create new programs and build facilities to care for those individuals and families that require our help.

**Red Cross**

www.redcross.org/find-your-local-chapter

The Red Cross responds to approximately 70,000 disasters in the United States every year, ranging from home fires that affect a single family to hurricanes that affect tens of thousands. The Red Cross provides shelter, food, health and mental health services to help families and entire communities get back on their feet. Find your local Red Cross chapter by visiting the website.

**Salvation Army**

The Salvation Army New Jersey Divisional Headquarters

P.O. Box 3170
Union, NJ 07083
Telephone: 908-851-9300
Fax: 908-688-4460
Email: nj@use.salvationarmy.org
Website: www.use.salvationarmy.org/use/www_use_nj.nsf

New Jersey has quite a number of Salvation Army locations. The best way to find the one closest to you is to look online at the website above, or to call the office of the New Jersey Divisional Headquarters. The area command office, listed above, either offers or coordinates the Salvation Army’s social services in their area.
United Way of New Jersey

www.ewn.org

There are 25 United Ways in New Jersey. On the United Way of New Jersey website listed above, you can click on a link to find the closest United Way office.

Community Action Agencies (CAA)

www.njcaanet.org

Community Action Agencies provide a range of social services to help low-income individuals, families (including homeless individuals and families), migrants, and the elderly poor. You must meet income guidelines in order to qualify for assistance. In New Jersey, the New Jersey Community Action Association is a good place to search for the CAA nearest you. While they vary slightly around the state, most Community Action Agencies offer:

- Housing (including weatherization)
- Emergency services
- Employment assistance
- Self-sufficiency
- Income management
- Education
- Nutrition
- Health
Resource Guide for Finding the Assistance Crew Nearest You

Route 4 comprehensive Resource Guide for finding valuable Hurricane Sandy disaster resources in New York.
New York Housing Recovery Resources

Housing Counseling Agencies

Whether you are interested in buying or renting, housing counseling agencies are an important source of housing information, advice, counseling, education, and financing. In this section we will tell you how to locate the one nearest you.

HUD Housing Counseling Agencies

The easiest place to start is the website of the U.S. Department of Housing and Urban Development (HUD), which is [www.hud.gov](http://www.hud.gov) or [www.hud.gov/sandy](http://www.hud.gov/sandy)

- Look for the section “I Want to” in the middle of the HUD homepage.
- Click on the link that reads “Talk to a Housing Counselor.”
- That link will bring you to a new page where you can click on a link to search for a housing counseling agency. You may also call 800-569-4287 for HUD’s interactive system.
- Click on New York, and it will bring up a list of all the HUD-approved housing counseling agencies in the state, including a brief description of the services these agencies provide and contact their information. You can scan the listings to find the agency that is most convenient for you.

National Industry Standards for Homeownership Education and Counseling

Adoption of the National Industry Standards for Homeownership Education and Counseling shows that an organization is dedicated to providing a high level of quality service delivery and professionalism that current and future homeowners can recognize and expect. High standards encourage excellence and help guide professional conduct and decision-making in the field. You can find an organization near you that has adopted these Standards at [www.homeownershipstandards.org](http://www.homeownershipstandards.org).

Working with an organization that has adopted the National Industry Standards gives existing and future homeowners the confidence that counselors/educators will:

- Provide their clients with correct and consistent information
- Represent a solid source of information to draw on before and after the home purchase
- Have the tools and knowledge to support their work
- Serve clients with competence, fairness, and respect
The NeighborWorks® Network

NeighborWorks® America supports over 235 independent, community-based nonprofit organizations across the country known as the NeighborWorks® Network. These nonprofits provide valuable housing-related services in more than 4,500 communities in America. They are staffed by counselors who serve as advocates to families who already own their homes or who are interested in pursuing homeownership. Services include prepurchase counseling, financial fitness classes, default and foreclosure prevention counseling, affordable financing and a host of other products and services. To locate the NeighborWorks® Network member nearest you, go to www.nw.org and use the "Find a NeighborWorks® Organization" link located on the right hand side of the home page. You can search by your zip code or search the state of New York.

NeighborWorks® Center for Foreclosure Solutions

The NeighborWorks® Center for Foreclosure Solutions (CFS) offers free counseling nationwide through its hotline at 888-995-HOPE (4673). If you are delinquent and facing foreclosure, its trained counselors may be able to help you develop a budget and spending plan that can get you back on track.

At http://nw.org/network/foreclosure/default.asp, you can find links to locate a foreclosure counselor, learn about mortgage modification scams, and explain mortgage refinance and modification options. Also available are links to videos and other resources on what to do when facing foreclosure, how to prevent foreclosure, and other topics.

Finding Affordable Rental Units in New York

New York City Affordable Housing Resource Center

At the New York City Affordable Housing Resource Center you will find information on all aspects of City housing, including renting an apartment, buying a home, and apartment maintenance issues. You can also find all of the City’s affordable housing lottery listings.

New York City Department of Housing Preservation and Development (HPD)
www.nyc.gov/hpd

HPD works with its governmental, community, non-profit and for-profit partners to strengthen neighborhoods, increase the availability of well-maintained, affordable housing, and enable more New Yorkers to become homeowners. Contact HPD to learn more about long-term affordable housing options.
Navigating the Road to Housing Recovery

Alert:

Resources for the Homeless

**HUD:** If you are homeless (or at risk of becoming homeless) you may find information on shelters and other resources at [http://www.hud.gov/local/index.cfm?state=ny&topic=homeless](http://www.hud.gov/local/index.cfm?state=ny&topic=homeless)

**NYC.gov:** [http://www.nyc.gov/html/dhs/html/home/home.shtml](http://www.nyc.gov/html/dhs/html/home/home.shtml). New York City provides temporary emergency shelter to every man, woman, and child who is eligible for services, every night. Contact the website above or call 3-1-1 to find shelters or homelessness prevention services near you.

New York City Housing Portal
[https://mtprawvwhpdhl01.nyc.gov/NycHousingRecovery/Housing.html#home](https://mtprawvwhpdhl01.nyc.gov/NycHousingRecovery/Housing.html#home)

The City of New York is committed to ensuring that every New Yorker affected by Hurricane Sandy has a safe place to live. If you are a NYC resident displaced by Hurricane Sandy, you can learn about housing options and register with the City of New York for help in finding interim or long-term housing at the New York City Housing Portal website, listed above.

If you have any trouble creating an account on this site, please call 3-1-1 to be connected to a person who can register you over the phone. The majority of the units New York City has posted on this website are income-restricted units (i.e. primarily for low- and moderate-income households).

New York State Homes and Community Renewal
[www.nyshcr.org](http://www.nyshcr.org)

You can find assistance if you live in subsidized housing, including answers to frequently asked questions at the NYSHCR website. For help or if you have a question regarding a check you received in the mail for New York State Hurricane Sandy housing aid please call 1-855-NYS-SANDY (855-697-7263).

Please visit the Lower Manhattan Borough Rent Information Office located on the 5th floor of 25 Beaver Street for a full listing of Borough Rent Offices or, on the Web at [www.nyshcr.org/AboutUs/Contact.htm#ora](http://www.nyshcr.org/AboutUs/Contact.htm#ora)

NY Housing Search.gov

Telephone: 877-428-8844
TTD/TTY: 7-1-1
Email: info@socialserve.com
Website: [www.nyhousingsearch.gov](http://www.nyhousingsearch.gov)

Funded by New York State Homes and Community Renewal, [www.NYHousingSearch.gov](http://www.NYHousingSearch.gov) is a free service to list and find affordable, accessible homes and apartments across NY. At the website click on the link — “Are you looking for housing because of Hurricane Sandy?” — to view housing options throughout the state.
Public Housing Authorities (PHAs) and Section 8 Housing Choice Vouchers
www.hud.gov/offices/pih/pha/contacts/states/ny.cfm

At this website you can find a list of all the public housing authorities in New York. Search for one that is in or near the area you wish to live in. These agencies typically administer both public housing and the Section 8 Housing Choice Voucher program.

Websites Listing Apartment Rentals

NY1Residential.com is a searchable website for residential housing including rentals in NYC. The site is maintained by the Real Estate Board of New York (REBNY) and lists consumer tips for how to buy and rent in New York City. Search for rentals in your area at www.ny1residential.com

Rentals.com is a national database of rental properties. Search for rentals in your area at www.rentals.com/New-York

Disaster Unemployment Assistance (DUA)

Federal Disaster Unemployment Assistance (DUA) is available to residents who were living or working in New York at the time of the disaster, and who are unemployed as a direct result of the damages caused by the storm.

Most impacted workers may already qualify for regular Unemployment Insurance. The federal DUA is a special program that covers many people who otherwise may not be eligible for regular Unemployment Insurance. If you lost income or your job and live or work in the Bronx, Kings, New York, Richmond, Queens, Nassau, Suffolk, Rockland, Orange, Putnam, Sullivan, Ulster, and Westchester counties, you may qualify for DUA. Those eligible can receive between $152 and $405 per week for up to 27 weeks while they remain unemployed as a result of the disaster.

People who are small business owners or self-employed are eligible for this program.

Contact Information:

- Residents who have sustained losses can begin applying for assistance by registering online at www.disasterassistance.gov or by calling 800-621-3362.

- To apply: call the Department of Labor’s Telephone Claims Center (TCC) at 888-209-8124 or 1-877-358-5306 (if you live out of state), or apply online at https://applications.labor.ny.gov/IndividualReg/?showuib=true&LOCALEn_US, or in person at a local DOL One-Stop Career Center or a FEMA Disaster Recovery Center.
Low-Cost and No-Cost Legal Assistance

Young Lawyers Division of the American Bar Association
Telephone: 1-800-699-5636
Website: www.americanbar.org/disaster

Disaster Legal Services provided for free by the Young Lawyers Division of the American Bar Association are now available for survivors in New York facing legal issues due to Hurricane Sandy. Residents who cannot afford to pay an attorney can call the hotline to request free legal assistance.

The type of legal assistance available includes:

- Replacing legal documents that may have been lost due to flooding
- Life, medical and property-related claims
- Consumer protection matters, remedies, and procedures
- Counseling on mortgage-foreclosure problems
- Creditor-debtor matters
- FEMA appeals

Through an intake process, callers will be matched with a volunteer attorney who can provide assistance or general legal information regarding their issue. Callers should say that they are seeking legal assistance related to Hurricane Sandy. The hotline will be staffed during normal business hours, but messages can be left at any time.

The helpline is part of a long-standing partnership between FEMA and the ABA.

LawHelp/NY (www.LawHelp.org/NY) is an on-line tool designed to help low-income New Yorkers solve their legal problems. At the website, you can access LiveHelp, a real-time, online chat service, in English and Spanish, that helps guide consumers to relevant legal information and free legal services.

www.AyudaLegalNY.org, is the Spanish version of www.LawHelp.org/NY

LawHelp/NY is the only comprehensive source of legal referral information in the state and includes:

- Over 3,000 “Know Your Rights” and self-help resources covering 15 areas of law
- Extensive links to social service, advocacy and government organizations, and information about the Court system
- Spanish mirror website and legal rights resources in more than 30 languages

Additionally, the website has a link to a Hurricane Sandy blog, “My New York Legal Help,” which provides legal news and information for low-income New Yorkers.
Legal Services NYC
www.legalservicesnyc.org/index.php

Visit the website above and click the link for “Hurricane Sandy Relief Effort,” to find an office and access a comprehensive Disaster Relief Legal Assistance Manual with information about Disaster Unemployment Insurance, FEMA, emergency food stamps, ADAP and Medicaid, and more. Legal Services NYC has also co-sponsored a training to prepare more than 250 volunteer lawyers to participate in disaster assistance clinics and other opportunities to provide legal counseling to affected communities.

If you are in need of assistance, please call the Citywide Sandy Recovery Hotline: 347-592-2411 between 10am and 3pm on weekdays.

New York Legal Assistance Group (NYLAG)
Telephone: 212-584-3365
Email: StormHelp@nylag.org
Website: http://nylag.org/units/storm-response-unit

NYLAG’s Mobile Legal Help Center is traveling to hard-hit neighborhoods across New York City, in particular Brooklyn, Queens, Staten Island and Long Island. In these boroughs, the devastation has been most profound, the legal aid infrastructure has been compromised by storm damage, and those in need have been isolated and unable to travel. For immediate assistance, contact NYLAG using the contact information above.

New York State Bar Association (NYSBA)
Telephone: 800-699-5636
Website: www.nysba.org

The NYSBA provides free legal advice to New Yorkers with legal problems related to Hurricane Sandy from volunteer lawyers. Volunteer lawyers will answer storm-related questions about insurance, real estate issues (landlord-tenant and other property disputes) and general legal matters, such as replacing missing wills and other documents. In addition, individuals whose applications for emergency assistance are rejected by FEMA will be able to speak with an attorney about how to appeal the decision.

NYC Pro Bono Center
Telephone: 800-699-5636
Website: www.probono.net/ny/nyc/hurricane_sandy

The New York legal aid and pro bono community is providing direct services to those most affected, including filing for FEMA and Disaster Unemployment Insurance benefits, answering immigration status questions, documenting and filing insurance claims, and addressing many other legal needs of individuals and small businesses. Pro Bono Net is collaborating with the American Bar Association, Legal Services Corporation, and the National Legal Aid & Defender Association on the National Disaster Legal Aid website (www.disasterlegalaid.org), where Hurricane Sandy resources and information are being posted regularly. In NY, please call 800-699-5636.
Resources for Buying and Selling

To find real estate agents in New York, visit [www.realtor.com](http://www.realtor.com).

In New York City, [www.NY1residential.com](http://www.NY1residential.com) is sponsored by the Real Estate Board of New York and Time Warner Cable. The website includes real estate listings and consumer tips for buying, selling and renting.

If you’re considering relocating to a different state, contact the National Association of REALTORS® at [www.REALTOR.org](http://www.REALTOR.org). If you are interested in “for sale by owner” (FSBO) listings, look for print ads in the entrance of your local shopping center or search online. A few options for New York that came up on a recent online search are listed below, but there are others as well.

[www.forsalebyowner.com](http://www.forsalebyowner.com)
[www.owners.com/ny](http://www.owners.com/ny)

The State of New York announced the Recreate NY Smart Home Buyout Program. Buy-outs may be available for homeowners in disaster declared counties. Homeowners in these counties will have the opportunity to sell their properties through a voluntary buy-out program for homes that were substantially damaged and/or located within designated buy-out areas where Hurricane Sandy damage occurred.

Buy-outs will be strictly voluntary, and no homeowners will ever be forced to sell, but homeowners who decide not to participate in the buy-out program may be required to take risk reduction measures, such as elevating their homes and purchasing insurance coverage through the National Flood Insurance Program (NFIP), if locally available.

More information will be available within the coming weeks. See [http://nysandyhelp.ny.gov/content/homeowners](http://nysandyhelp.ny.gov/content/homeowners) for details.

Finding a Home Inspector

The American Society of Home Inspectors
[www.ashi.org](http://www.ashi.org)

At this website you can search for a certified home inspector in your area.
Creating a Healthy Home: A Field Guide for Clean-Up of Flooded Homes

This is a practical guide developed by Enterprise Community Partners, Inc., the National Center for Healthy Housing, NeighborWorks® America, and Neighborhood Housing Services of New Orleans. The methods were tested on four flooded homes in New Orleans.

You can download the guide for free at www.practitionerresources.org/cache/documents/54278.pdf.

Finding a Contractor/Home Repair

Community Development Corporation of Long Island, (CDCLI)

Telephone: 631-471-1215
Email: info@cdcli.org
Website: www.cdcli.org

CDCLI offers emergency home repair loans to residents of Nassau and Suffolk counties. You can receive more information by visiting the website above or via telephone or email.

Homeadvisor.com

www.homeadvisor.com

Home Advisor.com (formerly known as ServiceMagic.com) can help you find contractors to fit your needs. If you answer some simple questions about your building needs, at the Home Advisor website you can find a list of prescreened contractors.

Neighborhood Housing Services of New York City, Inc. (NHSNYC)

www.nhsnyc.org/

Provides direct emergency relief loans for the repair or reconstruction of homes damaged by Hurricane Sandy. Visit the website above for additional information and a list of borough specific telephone numbers.

NYC Rapid Repairs Program


This program will send teams of contractors and City inspectors into neighborhoods impacted by Hurricane Sandy to make necessary repairs to damaged homes. Homeowners are able to sign up for NYC Rapid Repairs by going to www.NYC.gov, calling 3-1-1, or visiting one of New York City’s Restoration Centers. Interested homeowners will need a FEMA ID number, which they can get by registering at www.DisasterAssistance.gov, calling 1-800-621-3362, or visiting one of NYC’s Restoration Centers (www.nyc.gov/html/misc/html/2012/dasc.html).
The Asian Americans for Equality (AAFE) Community Development Fund
Telephone: 718-961-0888
Email: info@aafecdf.org
Website: www.aafecdf.org

The Asian Americans for Equality (AAFE) Community Development Fund offers an emergency home repair loan program ($5000 to $20,000) for homeowners in New York City. Eligible items to be repaired or replaced include damaged roofs, windows and doors, and boilers.

The Center for New York City Neighborhoods (CNYCN)/Neighborhood Recovery Fund (NRF)
Telephone: 646-786-0888
Fax: 646-349-1578
E-mail: NRF@cnycn.org
Website: www.cnycn.org/programs/nrf

Through its affiliate, Sustainable Neighborhoods, LLC., CNYCN is administering the Neighborhood Recovery Fund (NRF). NRF, an emergency fund sponsored by Goldman Sachs Gives, and created to provide financial assistance to homeowners affected by Hurricane Sandy. Funds from NRF will be used to ensure that impacted New York City homeowners can access and/or maintain housing. Eligible homeowners may receive up to $5,000 in either a grant or interest-free loan to cover certain expenses that are incurred due to Hurricane Sandy and not covered by FEMA. See the website for eligibility requirements, application instructions, and other program details.

The NYC Department of Buildings

The Department of Buildings will waive all application and permit fees for any work done on buildings damaged by the storm. Check the website for a list of helpful documents related to repairs and power restoration.

Consumer Tips for Hiring a Contractor

From the website of New York State Attorney General Eric Schneiderman (www.ag.ny.gov/recovering-sandy):

While it is understandable that you may be tempted to hire a contractor quickly, you should observe a few basic precautions to protect yourself from a potentially costly mistake. Attorney General Schneiderman offers the following tips to help you in choosing a contractor:

• Be on the alert for scam artists.

• Be wary of anyone who shows up at your door unsolicited and offers to do home repairs. Non-local “storm chasers” may be difficult to track down if the work is performed incorrectly or if there are other problems.

• Use a contractor with a name, address and contact number you can verify.
• Don’t fall prey to high pressure tactics; a legitimate contractor won’t pressure you to sign a contract and hand over a deposit on the spot.

• Never give a contractor a cash deposit before a contract is signed. Always do your homework BEFORE you hire a contractor:
  – Ask for and follow up with references
  – Ask the contractor for proof of insurance
  – Check the better business bureau website, www.bbb.org, for complaints against the contractor
  – Search online for any evidence that the contractor is disreputable

Home improvement contractors must be licensed in New York City, Suffolk, Nassau, Westchester, Putnam, and Rockland counties. Before you hire a home improvement contractor, use these links to check whether the contractor is licensed or registered in your county.

Nassau County: www.nassaucountyny.gov/agencies/oca/Licensing/checklist.html


Suffolk County: http://apps.suffolkcountyny.gov/Consumer%20Affairs/ContractorSearch/default.aspx

Westchester County: http://consumer.westchestergov.com/find-a-licensed-contractor
Faith-Based Organizations and Social Service Agencies

2-1-1 Search
A search engine that finds 2-1-1 call centers or other information and referral related sites in the United States. In New York, you can find a comprehensive guide listing disaster response and social service providers for Long Island (www.211longisland.org) and the Hudson Valley counties of Dutchess, Ulster, Sullivan, Rockland, Orange, Westchester and Putnam (www.hudson211.org). In New York City, call 3-1-1 for social service and other important information.

Catholic Charities
www.catholiccharitiesny.org
Check with Catholic Charities for mental health services, information and referral, help with rent or mortgage payments, and assistance with a range of other post-disaster issues. See the website to find the Catholic Charities nearest to you.

Habitat for Humanity
www.habitat.org
Habitat for Humanity is responding to Hurricane Sandy by providing community clean up, emergency home repairs, rehab services and on-going support through Habitat ReStores which provides discounted construction materials and furniture. Visit the website for more information.

Lutheran Social Services of New York
475 Riverside Drive, Suite 1244
New York, NY 10115
Telephone: 212-870-1100
Website: www.lssny.org/site/sandy-get-help
Lutheran Social Services of New York has launched Lutheran Disaster Response of New York, an alliance of Lutheran agencies responding to disaster. For more information see the website above.

Red Cross
www.redcross.org/find-your-local-chapter
The Red Cross responds to approximately 70,000 disasters in the United States every year, ranging from home fires that affect a single family to hurricanes that affect tens of thousands. The Red Cross provides shelter, food, health and mental health services to help families and entire communities get back on their feet. Find your local Red Cross chapter by visiting the website.
Salvation Army

The Salvation Army New York Divisional Headquarters
120 West 14th Street
New York, NY 10011-7301
Telephone: 212-337-7200
Fax: 212-337-7299
Website: www.use.salvationarmy.org/gnyd

New York has quite a number of Salvation Army locations. The best way to find the one closest to you is to look online at the website above, or call the office of the Greater New York Division Headquarters. The area command office, listed above, either offers or coordinates the Salvation Army’s social services in their area.

United Way/United Way of New York

www.uwnys.org

On the United Way of New York website listed above, you can click on a link to find the closest United Way office. You can also call 2-1-1 for information on the Hudson Valley and/or Long Island.

Community Action Agencies (CAA)

www.nyscommunityaction.org/findagencies.cfm

Community Action Agencies provide a range of social services to help low-income individuals, families, homeless individuals and families, migrants, and the elderly poor. You have to meet their income guidelines in order to qualify for assistance. In New York, the New York State Community Action Association is a good place to search for the CAA nearest you. While they vary slightly around the state, most Community Action Agencies offer:

- Housing (including weatherization)
- Emergency services
- Employment assistance
- Self-sufficiency
- Income management
- Education
- Nutrition
- Health
Navigating the Road to Housing Recovery
A step-by-step guide for individuals and families affected by Hurricane Sandy

Developed jointly by
NeighborWorks® America
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