

South Carolina Comments

Proposed Rule – Assistance to Individuals and Households Program

Based on the recent R&R conference call discussions, South Carolina is offering the following comments for consideration with reference to the Proposed Disaster Assistance Rule.

FEMA is requesting comment particularly on:

- Relationship between FEMA and states on administering cost shared assistance (“other assistance”).
- The \$5000 cap for repair assistance.
- Application of NFIRA (National Flood Insurance Reform Act) to housing assistance.
- Elimination of the GFIP (Group Flood Insurance Program).

We’ve addressed the four areas as follows in *italics*:

- Relationship ... cost shared assistance.
 - *Option 2 will give us the opportunity to participate in administering “other assistance” provided we have the option. If we do not have the option to process applications and operate the helpline, we might want to re-evaluate Option 2 since it may require the identification and training of a substantial staff at DSS.*
- The \$5000 cap for repair assistance.
 - The old authority did not provide a cap for this assistance, although there was a cap on all housing assistance provided. FEMA did, however, establish such caps but administratively. Kentucky felt there might be a political problem with the cap and that since there is a \$25,000 cap for the entire AIHP, why could not the repairs exceed \$5,000.
 - *We tend to agree that an administrative cap, if necessary, is better and more flexible than a cap in the law.*
- Application of the NFIRA to housing assistance.
 - FEMA interprets the mandate to purchase “hazard insurance” to equate to a mandate to obtain standard homeowner’s insurance on disaster units that are purchased, not to purchase insurance for every conceivable hazard that might exist in a given local.
 - However, this insurance requirement is not required if the unit is sold to someone other than the victim, the applicant, or a voluntary organization for the primary purpose of housing or temporary shelter. The only rationale we can see is that others may not use the housing units strictly for housing (the new authority does not specifically require “others” to use the unit for housing or temporary shelter.
 - FEMA also interprets the flood insurance mandates to mean that flood insurance is required only if the unit is to be placed in a designated special flood hazard area.
 - *We agree with FEMA’s interpretation.*
- Elimination of the GFIP.
 - Under the IFG program, victims of flood disasters who qualify for the IFG are authorized to receive flood insurance coverage under a Group Flood Insurance

Policy. Under the GFIP, IFG assistance is used to purchase a three-year flood insurance policy under the NFIP.

- The proposed rule has no such provision. FEMA wants to eliminate the GFIP and restore the responsibility for purchase of flood insurance back to the individual or household.
- Should the individual or victim not purchase and/or maintain the required flood insurance, no assistance will be provided in future disasters.
- Several states felt that FEMA should retain the GFIP but give the victims only one chance for assistance. If the 3-year policy (that is paid with IFG assistance) lapses, the victim is not assisted in future disasters.
- *We do not agree with the elimination of the GFIP. If the victims are in such shape that they qualify for "other assistance," they probably are not financially able to purchase their own flood insurance. We agree with the comment to retain the GFIP but give the victims only that one chance.*