



COMMONWEALTH OF KENTUCKY
DEPARTMENT OF MILITARY AFFAIRS
DIVISION OF EMERGENCY MANAGEMENT

FRANKFORT
40601-6168

RECEIVED
OFFICE OF
GENERAL COUNSEL
2002 FEB 27 AM 9:54



February 13, 2002

FEDERAL EMERGENCY
MANAGEMENT AGENCY

Federal Emergency Management
Office of the General Counsel
Room 840
C Street S.W.
Washington, D.C. 20472

Rules Docket Clerk:

The following comments concerning DMA2K-IA are submitted in response to the Federal Register (Volume 67, Number 15) dated January 23, 2002. These comments represent the perspective of the Commonwealth of Kentucky in regard to the proposed rule to implement Section 206 of the Disaster Mitigation Act of 2000 by consolidating "Temporary Housing Assistance" and "Individual and Family Grant Programs" into a single program called "Federal Assistance to Individuals and Households".

Section 206.111 (a): The proposal would allow the states to select from four options for processing and managing the combined programs. States would have the discretion to select the option that best accommodates the preferred level of state participation in program implementation, ranging from full implementation by the Federal Emergency Management Agency to full state implementation.

Comment: Kentucky endorses this proposal. It provides choice and flexibility in regard to the role of the state in program implementation. It will enable the state to participate at level and in roles considered appropriate by the state. It will also allow sufficient opportunity for the state to meet disaster-specific needs under the memorandum of agreement proposed.

Section 206.108 (b): The proposal provides, for the first time, options for multiple types of temporary housing assistance. It also provides for replacement costs up to \$10,000. The proposal also provides for temporary and permanent housing assistance.

Comment: This proposal, providing for multiple types of housing assistance, should result in delivery of assistance more specifically directed to the needs of the disaster victim. It appears this change will allow greater flexibility for decisions by individual disaster victims by eliminating requirements that have "fixed" them into pre-disaster housing arrangements. The proposed limit of up to \$10,000 for replacement costs is considered inappropriately low and is expected to result in inappropriate restrictions for some disaster victims. Retention of restrictions for dwellings in flood plains is appropriate.

Section 206.101 (d): The amended version of 42 U.S.C. 5174 states that the **only** type of temporary housing assistance that is specifically limited to 18 months is "direct housing" (e.g. mobile homes, travel trailers). Prior to this proposal all forms of housing assistance were limited to 18 months.



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

February 13, 2002

Comment: The state understands that this proposal authorizes the FEMA Regional Director to make decisions on a case-by-case basis. It is understood that the proposal will not affect disaster victims who resided in rental property. The proposal should be interpreted to allow more time for homeowners to make decisions related to repair or replacement of damage homes.

Section 206.108 (b) (3): The proposal will change the amount of assistance provided for emergency housing repairs (EMR), capping assistance at \$5,000.00. In addition, the maximum assistance for an individual applicant is to be capped at \$25,000.00 in any one-disaster declaration.

Comment: It is understood that \$5,000.00 cap is for EMR only and that, if denied assistance from the Small Business Administration, the applicant can be considered for up to \$25,000 in total assistance. These limits are reasonable. The process should expedite delivery of assistance to the disaster victim. The proposal would also, appropriately, allow eligible homeowners to receive more real property assistance, rather than be subjected to the \$10,000 EMR cap.

Section 206.108 (b): The proposal will no longer authorize payment of mortgage or rental assistance to disaster victims who are encountering a financial hardship due to a disaster.

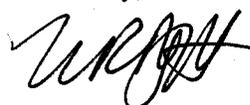
Comment: This change will almost certainly penalize some eligible disaster victims. Specifically, disaster victims whose legitimate need exceeds the new caps imposed in other sections of the proposal will be left with unmet, legitimate needs.

Section 206.101 (k) (3) (ii): The proposal includes no provision for National Flood Insurance Program policies to be issued for disaster victims receiving assistance under the Individual and Family Grant Program. The proposal will eliminate the purchase of policies for groups of disaster victims under the IFGP. In effect, purchase of required NFIP protection will be devolved to the individual disaster victim.

Comment: While the state recognizes that individuals should ultimately be responsible for purchase and maintenance of NFIP coverage, this change in policy is considered to be a major error based on inappropriate conclusions. Little justification is provided for this change from the longstanding practice of directing IFGP funds to group NFIP coverage. It is far better to provide coverage for up to three years with the requirement for the disaster victim to maintain coverage thereafter. This change will significantly lower the number of NFIP policies in effect for recent disaster victims. Kentucky strongly objects to this change. This objection reflects in large part concern resulting from the point that many areas in Kentucky are not mapped or do not have current maps. As a result, great uncertainty and confusion will result from the shift from group purchase to individual purchase of NFIP protection. Individuals in almost all cases cannot bear the costs of mapping for NFIP purchases.

If there are any questions or further explanation needed to the comments, please contact the Kentucky Division of Emergency Management, 100 Minuteman Parkway, Frankfort, Kentucky 40601-6168, or by telephone at (502) 607-1682.

Cordially,



W.R. Padgett
Director