

**Hurricane Katrina Homeowner Assistance Program
Phase II FAQ's**

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New/Revised FAQ's—As of 9/22/08

Revised – 2. Now 2. How long do I have to register for assistance?

The deadline to apply for a Phase II grant has passed as of March 15, 2008. We are no longer accepting applications for this program.

Revised – 24. Now 24. I closed on my Phase I grant and attached the covenants then, do I have to attend a closing for this grant too? Why?

Applicants who received a grant from Phase I and were rolled over to Phase II with Uncompensated Loss will not be required to sign covenants at the closing. You must sign other necessary closing documents and attend a financial counseling session. All Phase II grant recipients must attend a financial counseling session, which is typically completed at the closing center.

Revised – 28. Now 32. How do I register for assistance?

We are no longer accepting applications for this program.

New – 36. What do you need to verify in the verification process?

We verify your insurance information, SBA information, FEMA information, state tax lien data, ownership, flood damage, income, and other information before we approve your grant.

Revised – 60. Now 53. How much is the elevation grant amount?

The maximum elevation grant amount is \$30,000.

Revised – 64. Now 58. How long will it take to process the elevation application?

The length of time it takes to process an elevation grant application varies and is dependent upon several factors including an environmental review.

Purpose

1. What is the purpose of this phase?

Phase II is a housing needs program to provide compensation and advisory services to homeowners who suffered storm surge damage to their primary residence as of August 29, 2005, from Hurricane Katrina. The amount of compensation will be up to a maximum of \$100,000. Assistance will be available for homeowners who wish to repair, rebuild, or relocate.

In addition, an elevation grant of up to \$30,000 may be offered to eligible applicants who meet program requirements.

2. How long do I have to register for assistance?

The deadline to apply for a Phase II grant has passed as of March 15, 2008. We are no longer accepting applications for this program.

3. What is the maximum amount of assistance that I can receive?

Homeowners who meet the eligibility criteria may receive up to a maximum of \$100,000 in Phase II. If the homeowner received a grant award in Phase I, the combined Phase I and Phase II awards, cannot exceed \$150,000.

Eligibility

4. Who qualifies for this registration program?

Homeowners who meet the following criteria:

1. You owned and occupied your home as your primary residence on August 29, 2005.
2. Your home was located in Harrison, Hancock, Jackson or Pearl River County.
3. Your home flooded due to Hurricane Katrina storm surge.
4. Your household income is at or below 120% of Area Median Income (AMI).

5. What is Adjusted Gross Income?

In order to comply with federal guidelines for the grant program, income is based on 2006 Adjusted Gross Income (AGI). This is defined by the IRS for Federal Income Tax Returns. HAP will not allow distortions or modifications to AGI; as such changes would be fraudulent reporting by the applicant.

6. Is the household size based on number of members as of August 29, 2005, or as of a current date?

No, the household size that will be used to determine eligibility is based on the number of persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. Include all persons based on this definition who were living in your household on December 31, 2006.

7. Is household size based on immediate family members or total number of people living in my house?

The household size is based on the total number of members living in your house on December 31, 2006. All members living within the household must include their income to determine eligibility.

8. I have more than eight people in my household, am I still eligible?

Yes, we encourage you to register and your case will be considered on an individual basis.

9. My income for 2006 is not my usual income. Due to Katrina, my financial situation following the storm was not typical, and I don't think I'll meet the income requirement for Phase II. Does that mean I won't qualify?

Applicants may have been in unusual financial situations during 2006, which caused household income to exceed program limits for eligibility. The Mississippi Development Authority (MDA) approved a policy that allows the exclusion of 2006 extraordinary income when determining eligibility. This policy addresses extraordinary financial situations that were caused by Hurricane Katrina, were the result of applicants' post-Katrina recovery plans, or were unusual, temporary or one-time financial situations. Examples of such unusual post-Katrina financial situations include:

- Temporarily modified living arrangements with relatives or friends in 2006;
- Interest income or capital gains received from insurance proceeds or SBA loans post-Katrina;
- Investments or property that were sold in order to obtain funds for rebuilding;
- Temporary employment that yielded a higher rate of pay in 2006 than in the years pre-Katrina, including overtime hours worked or second or third jobs taken to assist in a family's recovery;
- Funds that were prematurely withdrawn from pensions or IRAs in order to rebuild or otherwise assist in recovery; and
- Proceeds received as a result of the death of a spouse.

If one of these extraordinary, temporary, or one-time financial situations applied to you in 2006, please visit a service center to fill out the extraordinary income affidavit or call 866-369-6302 to request that the affidavit be mailed to you. Be sure to include all supporting documentation that you may have.

10. I did not have homeowners insurance, am I eligible?

Yes, you are eligible to register, if you meet all the guidelines. Grants for homeowners who did not have homeowner or flood insurance on August 29, 2005 will be calculated at 70% of the uncompensated damage.

11. I lived within the flood zone, but did not have flood insurance, am I still eligible?

Yes, you are eligible to register, if you meet all guidelines.

12. My house was damaged, but not completely destroyed. Am I eligible?

Yes, you are eligible to register, if you meet all guidelines.

13. I did not receive flood surge damage, am I still eligible?

No, you must have received flood surge damage from Hurricane Katrina to be eligible to register.

14. Is it required that the damaged residence must be outside the flood zone for Phase II?

No, in Phase II, it does not matter whether you are inside or outside the flood zone. The only requirement about location of the damaged property is that it must be in one of four counties: Hancock, Harrison, Jackson, or Pearl River County.

15. My house is located outside of Mississippi? I'm from Louisiana. Am I eligible?

No, this program only applies to homes in Hancock, Harrison, Jackson, and Pearl River Counties in Mississippi.

16. I rented my house out, am I eligible?

No, this program is only for homeowners, whose primary residence was damaged.

17. I own several homes that were damaged. May I apply to register for each house?

No, you may only register for the home that was your primary residence.

18. I am not a US citizen, am I eligible?

Legal residents are eligible. Proof of citizenship or immigration status will be required.

19. Will all Phase I applications be rolled into Phase II to be evaluated to see if they are eligible, regardless of whether they received funds under Phase I?

Yes, all Phase I applications will be evaluated for eligibility in Phase II. The application will be considered regardless of whether they received funds under Phase I, but the applicant must still have uncompensated loss.

In addition to the income requirement that the 2006 household income must be at or below 120% of AMI, the applicant must still meet the following major requirements in Phase II:

- a. Must have lived in Hancock, Harrison, Pearl River or Jackson County
- b. Must have owned and occupied damaged residence as primary residence on August 29, 2005
- c. Must have received flood damage due to Hurricane Katrina storm surge.

20. I applied for Phase I, what do I need to do to apply for Phase II?

- a. You do not need to re-apply for Phase II; your application will be evaluated to see if you are eligible for Phase II.
- b. Additional information will be requested from both Phase I and Phase II applicants so that we may process your application.

All information in this document is subject to change.

21. Under what circumstances will applicants be eligible for additional funds under Phase II, if they received funds in Phase I?

Phase I applicants deemed eligible for Phase II, who have a household income at or below 120% of Average Median Income (AMI), and have uncompensated damages, may receive financial compensation through Phase II. The Phase II award is capped at \$100,000. If the homeowner received an award in Phase I, the combined Phase I and Phase II awards, cannot exceed \$150,000.

22. I received money in Phase I, but it's not enough. When will I be rolled over into Phase II? When can I expect to receive Phase II money?

MDA has recently rolled over Phase I grant recipients with uncompensated loss into Phase II. You should receive a package in the mail requesting additional information so that we may process your grant. There is no time frame for Phase II rollover disbursement at this time.

23. How will my Phase II rollover grant be calculated?

In Phase II the starting amount will be either your Allied damage assessment amount or your SBA damage assessment amount. We will use whichever value is higher. From there, deductions will be made for any insurance or FEMA proceeds received since your Phase I grant was disbursed. Then, we will subtract your Phase I grant amount and subtract SBA and ad valorem taxes to be paid from the grant amount as needed.

24. I closed on my Phase I grant and added the covenants then, do I have to attend a closing for this grant too? Why?

Applicants that received a grant from Phase I and were rolled over to Phase II with Uncompensated Loss will not be required to sign covenants at the closing. You must sign other necessary closing documents and attend a financial counseling session. All Phase II grant recipients must attend a financial counseling session, which is typically completed at the closing center.

25. If homeowners lived in Greene or George counties at the time of the hurricane, are they eligible for the grant?

The damaged property must be located in Hancock, Harrison, Pearl River, or Jackson counties, and must have sustained flood damage from the storm surge.

26. Do the age, income and special needs eligibility requirements have to be met as of 8/29/2005, date of application, or at time of closing?

- i. Elderly- At least one household occupant must be age 65 or older, as of April 1, 2007.
- ii. Income- The 2006 Household income is at or below 60% of Area Median Income (AMI).
- iii. Disabled- At least one household occupant must have a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment as defined by the Social Security Administration.

All information in this document is subject to change.

27. Are the applicants who moved away but still own the “slab” eligible?

Yes, as long as they meet all eligibility requirements.

Grant Requirements

28. What are the Phase II grant requirements?

Applicant must agree to a covenant on their damaged property that includes the following:

- Homeowner will maintain recommended structure and flood insurance.
- The home they own and occupy must meet the applicable building codes and local ordinances.
- When rebuilding, the home they own and occupy must comply with FEMA guidance for base flood elevations.
- If the home is manufactured housing, it must comply with HUD’s manufactured housing code and be elevated in accordance with FEMA advisory flood levels.
- Note: The applicant (or subsequent owner) must own the actual property in order to attach the covenants. If your home is a condominium, mobile home, or town home, you might be able to qualify for a grant under the Separate Title to Land and Structure policy. Please visit one of the service centers or contact the MDA call center at 866-369-6302 for more information.

29. If the applicant relocates to one of the other counties (George, Greene), will there be any covenant requirements on the new property?

No, there will be no covenant requirements on the new property. As the owner of the damaged property on August 29, 2005, you are eligible to apply for the grant. In order to receive the grant money, you must get the current homeowner of the damaged property and any applicable lien holder to complete the grant paperwork, if you have sold the property. This includes the required covenant agreement and subordination agreements from the new owners’ lien holder(s). Sold Home Specialists are available at each of the Service Centers to assist with this process.

30. What will be the procedures for attaching covenants to the damaged property?

Applicants will receive instructions in their closing package on how to attach the grant covenant agreement.

31. What are the covenant procedures for applicants/homeowners who are considering selling their home?

As the owner of the damaged home on August 29, 2005, you are eligible to apply for the grant. In order to receive the grant money, you must get the current homeowner and any applicable lien holder to complete the grant paperwork. This includes the required covenant agreement and subordination agreements from the new owners’ lien holder(s). Sold Home Specialists are available at each of the Service Centers to assist with this process.

Registration Process

NOTE: The deadline to apply for Phase II of the Homeowner Assistance Program has passed as of March 15, 2008. We can no longer accept applications for this program.

32. How do I register for assistance?

We are no longer accepting applications for this program.

33. Where are the Service Centers? When will they be open?

Service Center	MDA Representative
Jackson County Service Center Singing River Mall 2800 US Highway 90 Suite 1146 Gautier, MS 39553	Monday – Friday 10am – 6pm
Harrison County Service Center Prime Outlets – Gulfport 10000 Factory Shops Blvd, Suite 110 Gulfport, MS 39505	Monday – Friday 10am – 6pm
Hancock County Service Center 3068 Longfellow Drive Building 27 Bay St. Louis, MS 39520	Monday – Friday 9am – 5pm

34. What is the Call Center and what are the hours of operations?

The Call Center can assist you with questions about the grant process. You may contact the Call Center at 866-369-6302, Monday - Friday, from 8:00am - 5:00pm.

Verification Process

35. Will there be damage assessments as in Phase I? If so, will the formula use SBA or the new assessment as in Phase I?

Yes. The current approach is to order a damage assessment for every Phase II applicant. The damage assessment will be conducted by an MDA approved damage assessor. We will also evaluate the SBA damage assessment on the damaged property. The plan calls for the calculation that is most advantageous to the homeowner of these assessments.

36. What do you need to verify in the verification process?

We verify your insurance information, SBA information, FEMA information, state tax lien data, ownership, flood damage, income, and other information before we approve your grant.

Grant Calculation

37. How will the Phase II grant be calculated?

- a. The starting point for the grant calculation is the MDA-approved structure damage assessment (currently SBA assessment or Allied American assessment).
- b. This damage assessment amount will be reduced by any proceeds received for structural damage from FEMA, Insurance, HAP Phase I net grant award, or other sources of compensation. This result is considered the amount of uncompensated damage.
- c. Grants for homeowners who maintained homeowner insurance and/or flood insurance on August 29, 2005 will be calculated at 100% of the uncompensated damage.
- d. Grants for homeowners who did not have homeowner or flood insurance on August 29, 2005 will be calculated at 70% of the uncompensated damage.
- e. Grants for homeowners who meet the criteria for Special Needs will be calculated at 100% of the uncompensated damage.
- f. The Phase II grant award is capped at \$100,000. If the homeowner received an award in Phase I, the combined Phase I and Phase II awards cannot exceed \$150,000.
- g. The grant proceeds will be reduced by any payoff amounts that are due to SBA.
- h. Grant proceeds may also be reduced by any amounts owed to recognized federal, state or county agencies, such as ad valorem taxes, Mississippi Department of Employment Security (MDES) payments, and any taxes due to the State of Mississippi. Grant proceeds will be reduced by the current amount owed, including interest and penalties. The outstanding balance owed will be paid up to the remaining grant amount.

38. What are the criteria to determine if an applicant is considered under Special Needs?

- a. Elderly – Age 65 or older, as of April 1, 2007.

OR

- b. Disabled – Any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment as defined by the Social Security Administration.

OR

- c. Household income is at or below 60% of Area Median Income (AMI).

Ownership Issues

39. Another party and I both own the damaged residence jointly. May we both register individually?

No, only one registration is allowed per property. Co-owners of a residence must register as joint applicants.

40. If someone who otherwise qualifies has sold their damaged home, will they be eligible? Would there be any difference for military families that sold their house due to relocation orders?

As the owner of the damaged home on August 29, 2005, you are eligible to apply for the grant. In order to receive the grant money, you must get the current homeowner and any applicable lien holder to complete the grant paperwork. This includes the required covenant agreement and subordination agreements from the new owners' lien holder(s). Sold Home Specialists are available at each of the Service Centers to assist with this process.

41. What if I have sold my home and can't get the new homeowner to sign the covenants?

If you have been approved for a grant in Phase I or Phase II and cannot get the new homeowner to sign the covenants, you may be eligible for Phase III of the grant program, or the Sold Home program. Please refer to <http://www.mississippi.org/content.aspx?url=/page/actionplan&#P3> for more information.

42. How do I prove that I owned my home? Do I need a copy of my deed or other ownership documents?

You will be asked to provide the name(s) of the owners listed on the deed to your home. If your home is a mobile home, you will be asked to provide the name(s) listed on the title to the mobile home plus the name(s) on the deed to the lot on which the mobile home was located. If you cannot find your deed or mobile home title, this will not prevent you from applying for registration, but if you have a copy, you should bring it with you, as it will speed the overall verification process. Everyone whose name is on the ownership deed must come to the Service Center for your registration appointment in order to sign the consent and release forms.

43. I live on family-owned land. My name is on the title to my home, the damaged structure on the property. My name is NOT on the title to the land underneath the structure. Can I still qualify for a grant?

Due to a new policy passed by the Homeowner Assistance Program, applicants with a separate title to land and structure living on family-owned land may now qualify for a grant under Phase I or Phase II.

Closing Process

44. Will there be a formal closing process as in Phase I?

All information in this document is subject to change.

Yes, there will be a formal closing.

45. Who needs to attend the closing?

All parties listed on the deed (Warranty Deed or Quit Claim Deed) at the time of the storm and the current deed, if different are required to attend the closing to sign the grant agreement, covenant agreement, and subrogation agreement. Spouses who are not on the deed must also attend the closing, because your spouse has a homestead interest in the property under Mississippi law.

46. What do I need to bring with me to the closing?

- a. Review the Closing -To-Do List.
- b. All parties listed on deed and spouse (if not listed on deed must be present at closing)
- c. Photo I.D.'s. for every homeowner
- d. Signed subordination agreements (if applicable)
- e. If your deed identifies differences as a result of your maiden name, bring a copy of your marriage certificate.
- f. If there was a deceased person listed on the deed, bring a copy of the death certificate.

47. Who needs to sign the covenant agreement?

Homeowners receiving Phase II assistance must agree to a covenant on the property that: requires homeowner to meet applicable building code and local ordinances, maintain structure and flood insurance, and follow elevation requirements. The grant covenant requires the homeowner to maintain a flood insurance policy and a casualty policy (homeowner's policy that also covers wind damage). This wind pool coverage may be included in the homeowner's policy or may be a separate policy all together. This covenant applies to current and any future owners of the land. The applicant or a subsequent owner must own the actual property at the time of grant closing, in order to attach the covenants.

If your home is a mobile home, or town home, you (or a subsequent owner) must be able to attach the covenants to the land. If the home is manufactured housing, it must comply with HUD's manufactured housing code and be elevated in accordance with FEMA advisory flood levels. .

48. Will the homeowner be required to carry casualty insurance on their property?

All homeowners will be required to maintain homeowner's and wind pool insurance, if available. You may obtain wind coverage as an additional endorsement on your homeowner policy. The Phase II covenants refer to this as casualty insurance.

The Mississippi Development Authority requires that the principal structure on the property be insured at all times under a casualty loss policy in an amount not less than the full insurable value of the structure. A casualty loss means the destruction of the structure or damage to the structure resulting from a sudden, unexpected, and unusual event such as a hurricane, tornado, fire, earthquake, or other disaster. This policy only applies to the principal structure located on the property. It does not apply to

All information in this document is subject to change.

other structures, such as parking garages, carports, parking lots, sheds, and storage buildings.

49. Will homeowner also be required to carry a flood insurance policy?

Yes. At the present time the maximum amount of flood insurance available under the NFIP (National Flood Insurance Program) is \$250,000 for residential property and \$500,000 for commercial property. Flood insurance is required for the full insurable value of property not to exceed that \$250,000. The owner of the property is not required to maintain flood insurance in excess of these amounts.

50. What happens if I am approved for a grant?

- a. You will meet with a financial counselor to develop your recovery action plan.
- b. You must obtain subordination agreements from any mortgage lien holders subordinating their liens to the covenant.
- c. You must obtain agreements from the current owner (if you have sold the property) agreeing to the covenant and from any of the current owner's mortgage lien holders subordinating their liens to the covenant.
- d. You must attend a closing and sign the required agreements.
- e. Grant awards will be mailed to you upon approval for disbursement.

Grant Disbursement

51. How will grant awards be disbursed?

- a. Grant awards will be mailed to the homeowner
- b. The checks will be payable to all homeowners and to the first lien holder if the lien holder has opted to participate in the program.

Complaints and Appeals

52. Complaints - I feel I have been discriminated against during this process. Who do I contact?

We have a dedicated phone number and email address to deal with discrimination complaints. Please email complaints@mshomehelp.gov, or contact us at 1-800-401-6354.

Elevation Grant

53. Will the elevation grant be handled the same as in Phase I? As part of the closing process?

The elevation grant application will be included as part of the closing. Please note that the elevation grant is a separate program.

54. How much is the elevation grant amount?

The maximum elevation grant amount is \$30,000.

All information in this document is subject to change.

55. If a homeowner had flood insurance at the time of the hurricane, are they eligible for the elevation grant?

Homeowners who had flood insurance at the time of the flood and are eligible for assistance from NFIP are not eligible to receive the elevation grant, as they should receive a like amount directly from NFIP.

56. If someone is outside the initial flood zone, but is not required to elevate, are they still eligible for the elevation grant?

Yes, even if you are not mandated to elevate you may be eligible to receive the grant.

57. Are there specific elevation requirements that the homeowner must elevate a certain number of feet?

See Grant Provisions below:

- The homeowner will obtain and maintain flood insurance
- The rebuild and repair of the home will be in accordance with applicable codes and local ordinances
- If rebuilding the home, it will be elevated in accordance with FEMA recommended flood elevations. Refer to www.floodsmart.gov or call (888) 379-9531 for assistance.
- If replacement housing will be manufactured housing, such housing will comply with HUD's manufactured housing code and be elevated in accordance with FEMA recommended flood levels.
- The property will be subject to an environmental review.

58. How long will it take to process the elevation application?

The length of time it takes to process an elevation grant application varies and is dependent upon several factors including an environmental review.

Financial Incentives

59. Is there any other assistance available for homeowners who require funds in addition to the grant?

An incentive loan program may be offered if the homeowner's recovery plan requires additional funds, and conventional financing options are not available. The financing will be designed to provide an affordable way for the homeowner to execute their recovery plan.