

FEMA finds 650,000 families ineligible for housing aid

Agency says many misunderstand its mission.

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HOUSTON — People who say they were unfairly denied federal aid for housing assistance after Hurricane Ike have started claiming in lawsuits that the Federal Emergency Management Agency has created a flawed inspection system that withholds help from deserving families.

More than 730,000 families have registered with FEMA to receive money for home repairs, mobile homes or other housing services that became available after Hurricane Ike caused widespread damage in September. So far, FEMA has paid out about \$371 million to 82,000 families, declaring almost 650,000 families ineligible for aid.

An attorney for an Orange homeowner challenging his FEMA assistance as insufficient said the wide gap between applicants and paid claims is caused in part by unqualified or poorly trained FEMA inspectors who decide whether to approve assistance.

"I'm aware of a musician and a short-order cook who got these jobs," Mark Grandich, an attorney with Lone Star Legal Aid, said in a story published Sunday in the Houston Chronicle. "It seems to me that (FEMA) hired a bunch of people, basically just anybody, and put them on the street after one day of training."

FEMA officials said the high percentage of ineligible applicants doesn't reflect a predisposition toward rejecting claims but instead a widespread misunderstanding of the agency's mission. FEMA will pay only for home repairs that aren't covered by insurance and will provide only enough money to make the home safe, secure and functional.

Inspectors said many homeowners don't understand what FEMA will cover. For example, a single homeowner living in a two-bedroom home won't receive FEMA assistance to repair the second bedroom if the first bedroom is in livable condition.

At the peak of its individual assistance program late last year, FEMA and its contractors put as many as 2,360 inspectors on the streets to document damage to Gulf Coast homes. Critics say those inspectors were motivated to work quickly because they are paid a flat fee per inspection and must cover most of their own expenses.

Inspectors typically take about 30 minutes to work through a home inspection form on their hand-held computers, officials said. Near the end of the form, a crucial three-word item appears: "Habitability repairs required." If the inspector punches "no," the applicant won't be eligible for repair money from FEMA.

The Houston Chronicle interviewed a woman told by child welfare workers that her damaged apartment wasn't safe for her children and a condominium owner whose unit was condemned by a city building inspector. Both the woman and the condo owner told the newspaper that FEMA inspectors said their homes were habitable.

FEMA officials acknowledged that inspectors sometimes make mistakes, and they encouraged people who believe they were unfairly denied assistance to appeal.