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(e) The appropriate FEMA or State program official will notify the applicant in writing of the receipt of the appeal.

(f) The Regional Administrator or his/her designee or appropriate State official will review the original decision after receiving the appeal. FEMA or the State, as appropriate, will give the appellant a written notice of the disposition of the appeal within 90 days of the receiving the appeal. The decision of the appellate authority is final.

[67 FR 61452, Sept. 30, 2002; 67 FR 62896, Oct. 9, 2002]

§ 206.116 Recovery of funds.

(a) The applicant must agree to repay to FEMA (when funds are provided by FEMA) and/or the State (when funds are provided by the State) from insurance proceeds or recoveries from any other source an amount equivalent to the value of the assistance provided. In no event must the amount repaid to FEMA and/or the State exceed the amount that the applicant recovers from insurance or any other source.

(b) An applicant must return funds to FEMA and/or the State (when funds are provided by the State) when FEMA and/or the State determines that the assistance was provided erroneously, that the applicant spent the funds inappropriately, or that the applicant obtained the assistance through fraudulent means.

[67 FR 61452, Sept. 30, 2002; 67 FR 62896, Oct. 9, 2002]

§ 206.117 Housing assistance.

(a) *Definitions.* The definitions in this paragraph apply to this section only.

“*Caused by the disaster*” means as a direct result of a peril identified in the FEDERAL REGISTER Notice of a Presidentially-declared major disaster or emergency, the component is no longer functional.

“*Real Property Component*” or “*Component*” means each individual part of a dwelling that makes it habitable, as enumerated in paragraph (b)(2)(ii) of this section.

“*Semi-Permanent Housing*” means housing designed and constructed with finishes, material, and systems selected for moderate (or better) energy

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efficiency, maintenance, and life cycle cost, and with a life expectancy of more than 5 years but less than 25 years.

(b) *Types of housing assistance*—(1) *Temporary housing assistance*—(i) *Financial assistance.* Eligible individuals and households may receive financial assistance to rent alternate housing resources, existing rental units, manufactured housing, recreational vehicles, or other readily fabricated dwellings. FEMA may also provide assistance for the reasonable cost of any transportation, utility hookups, or installation of a manufactured housing unit or recreational vehicle to be used for housing. This includes reimbursement for reasonable short-term lodging expenses that individuals or households incur in the immediate aftermath of a disaster.

(A) FEMA will include all members of a pre-disaster household in a single registration and will provide assistance for one temporary housing residence, unless the Regional Administrator or his/her designee determines that the size or nature of the household requires that we provide assistance for more than one residence.

(B) FEMA will base the rental assistance on the Department of Housing and Urban Development’s current fair market rates for existing rental units. FEMA will further base the applicable rate on the household’s bedroom requirement and the location of the rental unit.

(C) All utility costs and utility security deposits are the responsibility of the occupant except where the utility does not meter utility services separately and utility services are a part of the rental charge.

(D) The occupant is responsible for all housing security deposits. In extraordinary circumstances, the Regional Administrator or his/her designee may authorize the payment of security deposits; however, the owner or occupant must reimburse the full amount of the security deposit to the Federal Government before or at the time that the temporary housing assistance ends.

(ii) *Direct assistance.* (A) FEMA may provide direct assistance in the form of purchased or leased temporary housing

units directly to individuals or households who lack available housing resources and would be unable to make use of the assistance provided under paragraph (b)(1)(i) of this section.

(B) FEMA will include all members of a pre-disaster household in a single application and will provide assistance for one temporary housing residence, unless the Regional Administrator or his/her designee determines that the size or nature of the household requires that we provide assistance for more than one residence.

(C) Any site upon which a FEMA-provided housing unit is placed must comply with applicable State and local codes and ordinances, as well as 44 CFR part 9, Floodplain Management and Protection of Wetlands, and 44 CFR part 10, Environmental Considerations, and all other applicable environmental laws and Executive Orders.

(D) All utility costs and utility security deposits are the responsibility of the occupant except where the utility does not meter utility services separately and utility services are a part of the rental charge.

(E) FEMA-provided or funded housing units may be placed in the following locations:

(1) A commercial site that is complete with utilities; when the Regional Administrator or his/her designee determines that the upgrading of commercial sites, or installation of utilities on such sites, will provide more cost-effective, timely and suitable temporary housing than other types of resources, then Federal assistance may be authorized for such actions.

(2) A private site that an applicant provides, complete with utilities; when the Regional Administrator or his/her designee determines that the cost of installation or repairs of essential utilities on private sites will provide more cost effective, timely, and suitable temporary housing than other types of resources, then Federal assistance may be authorized for such actions.

(3) A group site that the State or local government provides that accommodates two or more units and is complete with utilities; when the Regional Administrator or his/her designee determines that the cost of developing a group site provided by the State or

local government, to include installation or repairs of essential utilities on the sites, will provide more cost effective, timely, and suitable temporary housing than other types of resources, then Federal assistance may be authorized for such actions.

(4) A group site provided by FEMA, if the Regional Administrator or his/her designee determines that such a site would be more economical or accessible than one that the State or local government provides.

(F) After the end of the 18-month period of assistance, FEMA may begin to charge up to the fair market rent rate for each temporary housing unit provided. We will base the rent charged on the number of bedrooms occupied and needed by the household. When establishing the amount of rent, FEMA will take into account the financial ability of the household.

(G) We may terminate direct assistance for reasons that include, but are not limited to, the following:

(1) The period of assistance expired under §206.110(e) and has not been extended;

(2) Adequate alternate housing is available to the occupant(s);

(3) The occupant(s) obtained housing assistance through either misrepresentation or fraud;

(4) The occupant(s) failed to comply with any term of the lease/rental agreement or other rules of the site where the unit is located.

(5) The occupant(s) does not provide evidence documenting that they are working towards a permanent housing plan.

(H) FEMA will provide a 15 day written notice when initiating the termination of direct assistance that we provide under our lease agreements. This notice will specify the reasons for termination of assistance and occupancy, the date of termination, the procedure for appealing the determination, and the occupant's liability for such additional charges as the Regional Administrator or his/her designee deems appropriate after the termination date, including fair market rent for the unit.

(I) Duplication of benefits may occur when an applicant has additional living expense insurance benefits to cover the cost of renting alternate housing. In

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these instances, FEMA may provide a temporary housing unit if adequate alternate housing is not available, or if doing so is in the best interest of the household and the government. We will establish fair market rent, not to exceed insurance benefits available.

(2) *Repairs.* (i) FEMA may provide financial assistance for the repair of real property components in an owner's primary residence if:

(A) The eligibility criteria in § 206.113 are met;

(B) The component was functional immediately before the declared event;

(C) The component was damaged, and the damage was caused by the disaster;

(D) The damage to the component is not covered by insurance; and

(E) Repair of the component is necessary to ensure the safety or health of the occupant or to make the residence functional.

(ii) FEMA may provide financial assistance for the repair of:

(A) Structural components of the residence. This includes real property components, such as the foundation, exterior walls, and roof.

(B) Windows and doors.

(C) The Heating, Ventilation and Air Conditioning system.

(D) Utility systems. This includes electrical, gas, water and sewage systems.

(E) Interior components. This includes, but is not limited to, the structure's floors, walls, ceilings, and cabinetry.

(F) The structure's access and egress, including privately owned access roads and privately owned bridges.

(G) Blocking, leveling, and anchoring of a mobile home, and reconnecting or resetting mobile home sewer, water, electrical and fuel lines and tanks.

(H) Items or services determined to be eligible hazard mitigation measures that reduce the likelihood of future damage to the residence, utilities, or infrastructure.

(iii) The components that may be deemed eligible for repair assistance, and the type of repairs authorized, will vary depending upon the nature of the disaster. Repairs are limited to restoration of the dwelling to a safe and sanitary living or functioning condition. Repair assistance will only be

provided to the extent that the work makes the component functional. FEMA may provide for the replacement of components if repair is not feasible. The repairs of components must be of average quality, size, and capacity, taking into consideration the needs of the occupant.

(iv) Components that were functional immediately before the declared event may be eligible for repair assistance if the damage to the component was caused by the disaster and the component is no longer functional.

(v) Eligible individuals or households may receive up to the maximum amount of assistance (*See* § 206.110(b) of this part) to repair damages to their primary residence irrespective of other financial resources, except insurance proceeds.

(vi) The individual or household is responsible for obtaining all local permits or inspections that applicable State or local building codes may require.

(vii) If the applicant disputes a determination made by FEMA regarding eligibility for repair assistance, the applicant may appeal that determination pursuant to the procedures in § 206.115 of this part. In addition to the requirements in § 206.115, the applicant must provide proof that the component meets the requirements of paragraph (b)(2)(i) of this section, including that the component was functional before the declared event and proof that the declared event caused the component to stop functioning. If the applicant disputes the amount of repair assistance awarded, the applicant must also provide justification for the amount sought.

(3) *Housing replacement.* (i) FEMA may provide financial assistance for the replacement of an owner's primary residence if:

(A) The eligibility criteria in § 206.113 of this part are met;

(B) The residence was functional immediately before the disaster;

(C) The residence was destroyed, and the damage was caused by, the disaster;

(D) The damage to the residence is not covered by insurance;

(E) Repair is not feasible, will not ensure the safety or health of the occupant, or will not make the residence functional; and

(F) Replacement is necessary to ensure the safety or health of the occupant.

(ii) All replacement assistance awards must be approved by the Regional Administrator or his/her designee. If replacement assistance is granted, the applicant may either use the maximum amount of assistance (See §206.110(b) of this part) to replace the dwelling in its entirety, or may use the assistance toward the cost of acquiring a new permanent residence.

(iii) Housing replacement assistance will be based on the verified disaster-related level of damage to the dwelling, or the statutory maximum (See §206.110(b) of this part), whichever is less.

(iv) If the applicant disputes a determination made by FEMA regarding eligibility for replacement assistance, the applicant may appeal that determination pursuant to the procedures in §206.115 of this part. In addition to the requirements in §206.115, the applicant must provide proof that repair is not feasible, or will not ensure the safety or health of the occupant or make the residence functional. If the applicant disputes the amount of replacement assistance awarded, the applicant must also provide justification for the amount sought.

(4) *Permanent and semi-permanent housing construction.* (i) FEMA may provide financial or direct assistance to applicants for the purpose of constructing permanent and semi-permanent housing if:

(A) The eligibility criteria in §206.113 of this part are met;

(B) The residence was functional immediately before the declared event;

(C) The residence was damaged by the event;

(D) The damage to the residence is not covered by insurance;

(E) The residence was an owner-occupied primary residence; and

(F) The residence is located in an insular area outside the continental United States or in another location where alternative housing resources are not available and the types of fi-

nancial or direct temporary housing assistance described in paragraphs (b)(1), (2), and (3) of this section are unavailable, infeasible, or not cost-effective.

(ii) Permanent and semi-permanent housing construction, in general, must be consistent with current minimal local building codes and standards where they exist, or minimal acceptable construction industry standards in the area, including reasonable hazard mitigation measures, and Federal environmental laws and regulations. Dwellings will be of average quality, size and capacity, taking into consideration the needs of the occupant.

(iii) If the applicant disputes a determination made by FEMA regarding eligibility for construction assistance, the applicant may appeal that determination pursuant to the procedures in §206.115 of this part. In addition to the requirements in §206.115, the applicant must provide proof that the property is either located in an insular area outside the continental United States, or in a location where alternative housing resources are not available. The applicant must also provide proof that the types of financial or direct temporary housing assistance described in paragraph (b)(1) of this section are unavailable, infeasible, or not cost effective. If the applicant disputes the amount of construction assistance awarded, the applicant must also provide justification for the amount sought.

[67 FR 61452, Sept. 30, 2002; 67 FR 62896, Oct. 9, 2002, as amended at 78 FR 66856, Nov. 7, 2013]

§ 206.118 Disposal of housing units.

(a) FEMA may sell housing units purchased under §206.117(b)(1)(ii), Temporary housing, direct assistance, as follows:

(1) Sale to an applicant.

(i) Sale to the individual or household occupying the unit, if the occupant lacks permanent housing, has a site that complies with local codes and ordinances and part 9 of this Title.

(ii) Adjustment to the sales price. FEMA may approve adjustments to the sales price when selling a housing unit to the occupant of a unit if the purchaser is unable to pay the fair market value of the home or unit and when