

Congress of the United States

Washington, DC 20515

December 23, 2002

The Honorable Joe Allbaugh
Director
Federal Emergency Management Agency
500 C Street, SW
Washington, D.C. 20472

Dear Director Allbaugh,

Working families in and around New York City continue to be hard hit by the lasting economic impacts of 9/11, yet the federal emergency programs aimed at helping them are closing before the assistance is delivered to thousands of people in need. We feel strongly that if you do not direct your agency to reform and to extend the Mortgage and Rental Assistance (MRA) program and to reconsider the closure of the Individual and Family Grant (IFG) program, countless families and individuals that continue to be affected by 9/11 will lose their homes, lives will be put in jeopardy, and the responsibilities of the federal government to respond adequately after national disasters will not have been fully met in New York.

As you prepare to leave your post at FEMA for other activities, we request that you first take the time to respond to the enclosed detailed requests for the reform and extension of FEMA aid programs for individuals in and around New York, put forth by a coalition of community-based groups led by the New York Immigration Coalition. These requests to FEMA reiterate our earlier and still unanswered requests regarding the MRA program. These requests include:

- **Extend the MRA registration deadline.** As a result of multiple changes in the MRA guidelines, clearly insufficient outreach to affected communities, and remaining restrictions in aid, thousands of eligible New Yorkers affected by 9/11 have not yet applied for mortgage and rental assistance, despite clear need. If the program is allowed to expire before adequate outreach and additional reforms are made, thousands of people in the region who need and qualify for assistance will not have been helped.

- **Improve significantly public outreach regarding the MRA program.** Lack of clear and thorough information about the MRA program, including clear information on adjustments to eligibility requirements, and poor publicity have impeded potential applicants from benefitting from the program. It would be unacceptable to have the MRA program expire when the first advertising in New York daily newspapers occurred only recently – fourteen months after the disaster and only just prior to the program's current expiration deadline.

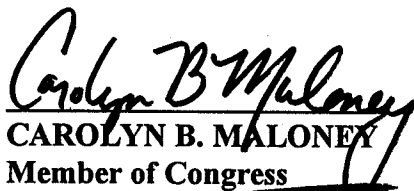
- **Adjust the 25% loss of income requirement to reflect federal poverty guidelines.** The FEMA eligibility requirement of a 25% loss of income has proven too arduous for many low-income families. Even 10% reductions in income for low-income families can result in devastating consequences, including the inability to pay bills for homes and apartments.

• **Expand zone of MRA eligibility to all individuals within the fifteen designated disaster area counties.** Some counties within the disaster area remain excluded from MRA assistance while individuals within certain industries have been excluded as well. Both of these exclusions should be eliminated. Currently, only Manhattan residents, Manhattan-based workers, and "individuals who worked for or owned a company located outside of Manhattan that was economically dependent upon a business located in Manhattan" are able to access disaster assistance. While lower Manhattan is the site of ground zero, the entire New York City region was impacted economically. FEMA's decision arbitrarily to exclude parts of the designated disaster area from MRA assistance should be overturned so that all those suffering economic impacts from 9/11 get the help they need.

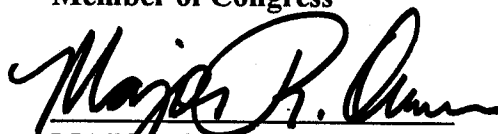
We also want to detail concerns regarding the IFG program. Our primary concern is that the IFG program was terminated before necessary reforms were fully implemented in the program or explained to the public in ways that would have clarified what was actually available from the program for people that remain in need. Thousands of New Yorkers were not able to access the assistance they need because of the problems with the implementation of the program. We request your immediate review and consideration of the concerns detailed herein regarding the IFG program to determine the best ways to respond to the remaining needs of New Yorkers affected by 9/11 that could have been helped through the IFG program.

Your agency's response to previous requests for reform allowed many individuals in need to receive disaster-related assistance, but thousands who still need and deserve help have been excluded because of the manner in which these programs were administered. It would be irresponsible for FEMA to allow the expiration of aid programs while serious needs remain and while significant deficiencies remain in the clarity of the programs' guidelines and outreach efforts. Such an action would not be following the President's promise to do whatever was necessary to help New York. We look forward to your prompt response to these urgent concerns, and welcome the opportunity to meet directly with you and with the advocacy groups represented in the enclosed letter to develop the most effective response to these real and urgent concerns.

Sincerely,


CAROLYN B. MALONEY
Member of Congress


EDOLPHUS TOWNS
Member of Congress


MAJOR OWENS
Member of Congress


JOSÉ SERRANO
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Recommendations to Improve FEMA's Mortgage and Rental Assistance (MRA) Program

Tens of thousands of 9/11 victims and their families are suffering economically and are threatened by eviction and mortgage foreclosure as the January 31, 2003 FEMA Mortgage and Rental Assistance (MRA) program application deadline approaches. A range of studies suggests that approximately 100,000 workers lost their jobs due to the attacks and of those workers 56 percent were immigrants. As recently as early June 2002, a report by the 9/11 United Services Group identified approximately 45,000 Lower Manhattan workers whose jobs were affected by the WTC attacks and who continued to suffer an income loss of more than 25 percent. Even more alarming, over 60 percent of these workers, approximately 28,000 individuals, were still unemployed. According to current FEMA guidelines each one of these 45,000 individuals should be eligible for up to 18 months of mortgage or rental assistance, yet only 10,000 have been helped thus far!

Unfortunately, FEMA did not publicize the MRA program in the mainstream print media until early November 2002, 14 months after the attacks. The resultant lack of public awareness has kept the MRA program from providing assistance to victims and their families facing eviction and mortgage foreclosure. Additionally, the negative experience many victims had applying to MRA during the first nine months of troubled operations – onerous documentation requirements, months of waiting for emergency eviction assistance, and a lack of information about established eligibility requirements – tarnished the reputation of MRA as a resource for victims, dissuaded individuals from re-applying, and discouraged others from even bothering to engage the process at all.

In addition to the MRA program's poor performance reaching those deemed eligible to apply under its current guidelines, immigrant groups are deeply concerned that the program's eligibility rules arbitrarily exclude a huge number of impacted individuals and families who should have been deemed eligible for assistance from the start. These are people who lost jobs or wages due to the 9/11 attacks and worked in the outer boroughs, Long Island, Westchester, and New Jersey. They were barred from accessing MRA assistance due to the geographic boundaries added to the program by FEMA.

Why is the one federal relief program for economically impacted victims only open to workers and residents of Manhattan? Historically, FEMA opens all of its Individual Assistance programs to all designated disaster counties. The five boroughs of New York City were designated disaster counties immediately after the attacks, and the two Long Island counties and eight counties north of the City were approved for all Individual Assistance programs by FEMA on September 28, 2001. On the day the new counties received their designated disaster status FEMA Director Joseph Allbaugh vowed "to deliver assistance wherever it's needed and to make sure that every qualified individual and family receives the help necessary to get back on the road to recovery after this terrible event" (<http://www.fema.gov/diz01/d1391n14.shtm>).

Well over one year after the attacks, thousands of impacted families are still waiting for the opportunity merely to apply for this promised assistance. These restrictions on eligibility have resulted in FEMA providing over ten times more relief to individuals affected by California's Northridge earthquake

than has been provided to workers displaced by the September 11th attacks. FEMA mortgage and rental assistance can stabilize the lives of these families as well as the life of our city, putting it solidly on the path to economic recovery and growth.

Tens of thousands of 9/11 economic victims, unaware and/or ineligible for the current FEMA MRA program, have exhausted their Unemployment Insurance benefits, which has led to soaring evictions, swelling public benefit rolls, a ten-year high in homeless shelter usage, the daily depletion of food bank supplies, and calamitous demands on city and state resources. With city and state budgets facing record cuts it is critical that New Yorkers impacted by 9/11 access all the federal dollars that are available; to not do so would result in unnecessary and potentially significant burdens on the city's and state's safety nets.

In order to ensure that the 9/11 economic victims and their families in the greater New York City metropolitan area receive the assistance they need to pay their rent or mortgages and stay in their homes we urge that the following measures be adopted:

- A. The extension of the January 31, 2003 FEMA MRA application deadline to September 30, 2003;***
- B. The expansion of MRA to all impacted workers at risk of eviction or mortgage foreclosure in the 15 New York State designated disaster counties and four proximate counties in New Jersey; or if FEMA insists on retaining its arbitrary and unfair geographic restrictions that prevent thousands of economic victims from accessing Individual Assistance program aid, they should expand eligibility to workers employed in the industries significantly impacted by 9/11;***
- C. The reduction of FEMA's 25% loss of household income requirement to 10% for low-income households, as defined by household income below 200% of federal poverty guidelines (<http://aspe.hhs.gov/poverty/02poverty.htm>); and***
- D. The implementation of an ongoing mass marketing strategy to publicize the MRA program similar to the September 11 Fund/Safe Horizon's use of subway and bus advertisements and other marketing tactics to reach the largest possible group of affected individuals in multiple languages.***

Little by little victims of the September 11th disaster are starting to learn about and apply for MRA assistance. FEMA mails out roughly 700 MRA applications each week to victims who appear to have a "possible need" after an initial phone registration process (e.g. first full week in September-762 applications, October-594 applications, and November-786 applications). The last week of November saw the number of MRA applications skyrocket to 4,000. Similarly, as the program has become more widely publicized the number of MRA applicants FEMA helps on a daily basis at the 141 Worth Street assistance center has increased steadily: 161 visits on October 1, 191 visits on November 1, and 239 visits on November 15.

Since the MRA program was overhauled in July of 2002 several important improvements have led to an increase in the number of individuals and families that have been assisted. These include:

- Publication of official guidelines, a comprehensive question and answer document (in seven languages), and an immigrant eligibility document (in English and Spanish);
- Translation of the application into Chinese, French, Japanese, Korean, Russian and Spanish. A translated application is mailed along with an English application upon request;
- Publicity about the program in thirty different ethnic and local papers in ten different languages in August 2002 (11 months after the attacks);

- Dedicated staff assigned to the local disaster center (141 Worth Street) to work with community advocates and caseworkers;
- An aggressive outreach campaign, including community-based events/trainings/workshops throughout the city; and
- FEMA's 141 Worth Street staff working collaboratively with 9/11 victims, advocates and caseworkers to facilitate the intake of qualified victims into the MRA program.

As a direct result of the July 28, 2002 geographic expansion, deadline extension, and programmatic changes, the numbers of applicants approved for assistance jumped from 3,585 (6/25/02) to 9,610 (11/14/02) and the eligibility approval rate has increased from 34% (6/25/02) to 60.8% (11/14/02). These are significant improvements that have stabilized the lives of thousands of individuals and families.

But with less than two months before this program expires there is much that needs to be done to ensure that New Yorkers who lost their jobs or are underemployed due to the attacks receive the mortgage and rental assistance they need to stay in their homes. It was July 2002, nine months after the attacks, before the MRA program was reconfigured to help economic victims of September 11. Now with the need for the MRA program growing, the word about it finally spreading, and the structure in place to get assistance to economic victims of the attacks, there is a clear need to extend the deadline and continue to improve the MRA program.

We urge that the following recommendations be adopted to ensure that economic victims of 9/11 receive the eviction prevention and mortgage foreclosure assistance FEMA is mandated to provide:

I. Extend the Application Deadline to September 30, 2003 from January 31, 2003

Due to early MRA rejection rates of roughly 65% and a complete lack of publicity, tens of thousands of victims are only now learning about the MRA program. The numbers noted above demonstrate that demand for applications has remained steady and applicants accessing direct assistance at the FEMA disaster center have continued to increase. We urge the extension of the deadline to ensure that all eligible victims can access MRA, and the extension be accompanied by additional publicity about the program, its benefits and eligibility rules.

II. Expand Geographic Boundary To Include the 15 New York State Designated Disaster Counties and Four Proximate Counties in New Jersey; or if FEMA Insists on Retaining its Arbitrary and Unfair Geographic Restrictions That Prevent Thousands of Economic Victims from Accessing Individual Assistance Program Aid, They Should Expand Eligibility to Workers Employed in the Industries Significantly Impacted by 9/11

A. Include New York's 15 designated disaster counties and four proximate New Jersey counties to ensure all impacted workers are assisted. Currently, only Manhattan residents, Manhattan-based workers, and the ambiguously defined "individuals who worked for/or owned a company located outside of Manhattan that was economically dependent upon a business located in Manhattan" are able to access MRA assistance. There are fifteen counties in New York State that were designated disaster areas by FEMA. Each one of these counties was determined to be

eligible for Individual Assistance programs, which includes the MRA. The designated disaster counties include: New York, Richmond, Kings, Queens, the Bronx, Delaware, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, Ulster and Westchester. In other disasters each county with a disaster designation has been eligible for Individual Assistance programs. In some cases, victims in counties located next to designated disaster counties have been allowed to access Individual Assistance programs as well. In New York, access to the MRA program has been limited to workers who lived or worked in Manhattan. If a worker lost her job in any county other than Manhattan due to 9/11 she is ineligible for MRA assistance, unless she lived in Manhattan. In order to ensure that all 9/11 impacted victims who worked in the fifteen designated disaster counties receive the assistance they and their families need to stay in their homes we urge that each of the fifteen designated disaster counties in New York State and the four New Jersey counties that are proximate to New York City be eligible for MRA assistance.

- B. Alternatively, strategically expand the MRA program to include workers who lost their jobs because of 9/11 and were employed in industries significantly impacted by 9/11.** A handful of industries were particularly devastated and experienced significant layoffs following the attacks. Those industries include: garment, hospitality, restaurant, retail, and transportation. New York City has an integrated economy and some industries were more vulnerable to the economic fallout after the attacks. Study after study points to these five as being disproportionately impacted in the greater New York City metropolitan area. If FEMA insists on retaining its arbitrary and unfair geographic restrictions that prevent thousands of economic victims from accessing Individual Assistance program aid that is normally available to those living and working in disaster designated counties, it should at least expand its MRA eligibility rules to include workers in those counties who lost their jobs in the industries most heavily impacted by 9/11. Although some argue that certain industries, such as the airport industry, were impacted outside of the New York area, in limiting assistance by designated disaster county the FEMA can restore at least a minimal amount of consistency to its program rules. Additionally, many individuals have suggested that a job loss cut-off date could be instituted to sensibly assist with determining 9/11-related job loss versus general downturn in the national economy.

III. Modify Existing Requirements That Have Proven to be Barriers to Obtaining Assistance

- A. Lower the current requirement of 25% loss of household income to 10%.** The current requirement of 25% loss of household income is an unfair burden on low-income workers who live on an extremely tight budget with little room to absorb any loss of income. Low-income individuals usually devote a much higher proportion of their income to rent; thus, even a 10% loss of income can mean the difference between affording their rent and slipping into arrears. Low income could be defined by household income below 200% of federal poverty guidelines (<http://aspe.hhs.gov/poverty/02poverty.htm>).
- B. Permit victims who were eligible but unaware of MRA to come forward for reimbursement of past rental or mortgage delinquencies due to 9/11-related income losses.** Due to the early MRA rejection rates of roughly 65% during its first nine months of

operation, subsequent poor reputation, and complete void of publicity directed to economic victims, thousands of victims borrowed funds from friends and family, withdrew cash from their children's education funds, spent down savings and retirement accounts, and in most cases borrowed against credit cards to avoid eviction or foreclosure on their home. Individuals such as these who are getting back on their feet and have found employment no longer meet the 25% loss of household income requirement. They nevertheless should be permitted and encouraged to apply for reimbursement for their mortgage or rental payments that should have been covered by MRA.

- C. Allow applicants who moved post-9/11 to apply for the MRA program.** The MRA program currently makes applicants who have moved post-9/11 or since their MRA application was approved ineligible for assistance or re-certification. This rule discourages victims who may want to seek more affordable housing from doing so and penalizes individuals who do not receive MRA re-certification but were required by FEMA to sign lease renewals at rents higher than they could afford in order to satisfy the initial MRA application requirements.
- D. Include applicants with pre-9/11 rent arrears as eligible candidates for assistance.** If individuals have pre-9/11 rent arrears that does not mean their eviction is unrelated to loss of income. When an individual loses her ability to repay rent arrears due to loss of income the landlord or bank is more likely to evict or foreclose. Pre-9/11 rent arrears should be the responsibility of the applicant but not disqualify him/her from applying.
- E. Allow self-certification.** Clients who use self-certification or self-attestation often do so for lack of more traditional forms of documentation. When their self-certification is consistent with their other documents, it should be considered as one component in the larger verification process.

IV. Increase Publicity for the MRA Program

The MRA program was only publicized in the ethnic press for a two-week period in early August 2002 and in the mainstream press during the first two weeks of November 2002, fourteen months after the disaster. The paltry number of applicants is directly related to minimal publicity. FEMA should redouble its publicity efforts, continue to reach out to New Yorkers who suffered job loss due to the attacks, and use a mass marketing strategy to advertise their disaster relief services, similar to other private relief agencies, using subway and bus advertisements and other marketing tactics to reach the largest possible group of affected individuals.

V. Expedite the Review Process

- A. Review and adjudicate applications in New York.** The initial registration for the MRA program is done by phone. Once the applicant is in receipt of the application she can submit the application at the Manhattan FEMA center or by mail. FEMA processing centers are located in Texas, Maryland, and Virginia. Often a decision is made without direct communication with the applicant. The applicant is notified by mail of the determination. We recommend that in order to expedite the review, approval, and appeal process that all the FEMA intake workers at the

Manhattan center be given the authority to review MRA applications and determine eligibility on-site. In the event they are not given this authority, direct communication should be required between the out-of-state FEMA worker adjudicating the application and the applicant and his or her representative when an application contains incomplete or incorrectly presented information.

- B. Reduce processing and determination period.** Applicants, by the nature of the MRA program's requirements, are facing eviction. FEMA should commit to a timely review process to ensure that a fair and competent determination is made, and clients are not waiting in vain for assistance. Since the review process often takes one to two months before an initial decision is made, clients are forced to find alternative, emergency, and/or short-term housing solutions. After successfully finding financial support from alternative resources, clients are ineligible to return to FEMA until they accrue additional rent arrears and face eviction. This is particularly debilitating for victims of the 9/11 disaster, many of whom report spending the majority of their time asking friends or family for assistance or searching for emergency eviction prevention services, instead of seeking new employment. The stability provided by the MRA program, with a potential 18 months of continuous assistance, allows the victim to go to work, pursue job opportunities, participate in job training and readiness programs, and/or attend educational programs that will lead to returning to the workforce.
- C. Implement a comprehensive review process.** It has been standard FEMA practice to note a problem with an application and when that is resolved to discover and note an additional problem. We recommend implementing a checklist review process that will demonstrate to clients and advocates what is lacking from the application so that each concern can be addressed concurrently and the approval process can be expedited.
- D. Overhaul FEMA's helpline to provide useful information by assigning dedicated caseworkers.** Clients and advocates are required to call the helpline to check status of cases. Helpline workers are often less informed than clients and advocates. Helpline workers often do not have access to records and must be updated as to recent activity. Because individual clients do not have individual caseworkers for all purposes, each new communication requires a briefing on case specifics. There have been serious inconsistencies in the application of rules by helpline operators. We recommend FEMA assign individual caseworkers to work on applications from start to finish, to review and decide applications so applicants can explain, add or correct information without unnecessary delay.

VI. Reform Documentation Requirements to Reflect the Work and Living Environments of Many Low-Income and Immigrant Workers

- A. Allow for alternative forms of documentation to verify proof of income loss.** Thousands of self-employed individuals, ranging from street vendors to independent construction workers, have been adversely affected by the September 11th disaster. Without bi-weekly pay stubs, quarterly tax returns, and CPA-derived financial statements these workers have been denied access to eviction prevention assistance. FEMA intake workers should be trained to assess loss of income by reviewing a variety of documents including employer letters, co-worker affidavits verifying income, and personal attestations.

- B. Allow for alternative forms of documentation to verify proof of residency beyond a formal lease.** Many New Yorkers do not have leases in their name because they share apartments, live doubled up, sublet, and/or pay rent in cash. In addition, landlords often refuse to provide documentation because they are under-reporting rental income to the government. FEMA should accept alternative forms of verification including rent receipts, utility bills, letters from community organizations with relevant knowledge and expertise, or notarized letters from other tenants.
- C. Allow applicants to verify information and combat third party statements.** A process for resolving conflicting information from applicants and employers/landlords should be created that recognizes some of the complexities of confirming job and residential documentation. FEMA should look to other sources (beyond recalcitrant employers and landlords) when they want to confirm information regarding employment, rent arrears, and rent paid (for recertification purposes).

VII. Rework Application Forms and Clarify Requirements

Remove language on denial letters that state that a client is ineligible if she does not respond in 30 days. Advocates have reported that FEMA workers have encouraged post 30-day submission of documentation from some applicants, stating that files are not closed after 30 days. If it is not the case that applicants are deemed "ineligible" if they do not respond within 30 days, this language should be removed from denial letters. In addition, community groups have reported that many applicants are more generally confused by the language in the denial letter, believing that they have been found ineligible for the program, and they therefore do not compile the additional documentation.

VIII. Expand Immigrants' Eligibility for Federal Programs

- A. Reclassify certain immigrants in INS backlogs as qualified for federal disaster relief.** It is particularly unfair that as many as 100,000 individuals in New York are currently "unqualified" for federal program assistance while their applications to upgrade their status have languished for several years in INS processing backlogs. Many thousands of September 11th victims are not qualified to use FEMA and other services because of immigration status restrictions yet, through no fault of their own, their efforts to adjust to a "qualified" status have been delayed by years of government ineptitude. At a minimum, immigrants with pending adjustment applications, numbering approximately 100,000 in the New York INS District, should be treated as "qualified" individuals in the context of access to disaster relief and safety net assistance.
- B. Undocumented immigrant victims of the September 11th attacks should be eligible to apply for the MRA program.** In these difficult times, the exclusion of undocumented immigrants from the MRA program deals a serious blow to many immigrant families struggling to make ends meet. Excluded from all other forms of public assistance, including Unemployment Insurance, these valuable members of our workforce and victims of the attacks on our nation need this assistance to remain in their homes. With tens of thousands of September 11th low-wage worker victims

struggling to make ends meet, it is essential that the federal government open the MRA program for those most in need.

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