

April 29, 2003

Secretary Tom Ridge  
U.S. Department of Homeland Security  
Washington, D.C. 20528

Dear Secretary Ridge:

On September 11, 2001 New York City was the target of the most devastating attack that this nation has experienced in over 50 years. The terrorists took aim at the World Trade Center and, in destroying the physical structure of the twin towers and killing thousands of Americans, also attacked the heart and soul of America's financial markets. The towers' collapse reverberated throughout New York City, the greater metropolitan area, across the nation and around the world. Although our entire nation absorbed a violent blow that day, the financial impact was particularly severe in New York City. The massive job loss and underemployment in the weeks and months following the attacks continue to haunt the New York City economy.

The Mortgage and Rental Assistance (MRA ) program was the most effective aid for people who suffered as a result of the World Trade Center Disaster. We write to request that the MRA program be reopened, that the guidelines and eligibility criteria be re-constituted and that the program be re-publicized with clear and concise guidelines.

### **The Impact**

A conservative estimate of 100,000 workers lost their jobs due to the attacks, although several studies suggest the impact to be twice as high. As late as 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 FEMA's guidelines each one of these 45,000 individuals was eligible for up to 18 months of mortgage or rental assistance.

The financial impact was felt far beyond the streets of lower Manhattan. The restaurant, hospitality, garment, transportation, and retail industries throughout the greater NYC metropolitan area were ravaged. Employees at JFK, LaGuardia, and Newark airports, the lifeline of the financial sectors service economy moving New York's precious human capital all over the

world, experienced joblessness in the thousands in the weeks following the attacks. The fiscal impact of 9/11 directly affected New York City. But, the impact will be exacerbated in the future if corporations and businesses decide not to come to New York and expand their businesses. The foreseeable future for these effected 9/11 victims is grim.

### **FEMA's response**

According to the FEMA website, "FEMA's Mortgage and Rental Assistance (MRA) Program is designed to cover rent or mortgage payments for those who have suffered a financial hardship as a result of a major disaster declared by the President. Persons suffering financial hardship who are unable to pay their rent or mortgage are facing eviction or foreclosure, may be eligible for the program."<sup>1</sup> The MRA program was the most significant direct aid that offered real assistance to individuals who suffered as a result of the World Trade Center.

Over the course of the last 18 months there have been repeated and resounding requests for change to the MRA program. As of January 31, 2003, just 10,596 applicants were accepted into the program. This means FEMA served a paltry 10% of the impacted population, leaving a full 90,000 jobless and their families without any government assistance.

### **How FEMA Failed New York City and the Greater Metropolitan Community**

Below is a timeline of the evolution of FEMA's use of the MRA program and how the 9/11 jobless, advocates and elected officials struggled to make it work for a population desperate for relief.

According to the Fiscal Policy Institute, "The economic aftermath of the World Trade Center attack accounts for about half of the job loss" in New York City. Further the "job losses suffered in the industries hardest hit by the attack were five times as great in NYC as in the nation."<sup>2</sup> It was estimated that in the year 2001, in the fourth quarter alone, "73,900 jobs were lost... as a direct result of the attack, and that another 13,000 jobs had been relocated outside of NYC."<sup>3</sup> Since then, it seems the situation has only continued to deteriorate.

The destruction was devastating and the magnitude of the impact was disheartening. The result, according to the New York Immigration Coalition, was that as of January 31, 2003 "tens of thousands of 9/11 victims and their families (were) suffering economically and (were) threatened by eviction and mortgage foreclosure notices." "Soaring evictions, swelling public benefits rolls, a ten-year high in homeless shelter usage, the daily depletion of food bank supplies, and calamitous demands on city and state resources" resulted.<sup>4</sup>

As noted by The New York Immigration Coalition, "Why was 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>).”

The MRA program had the potential to be the most vital individual assistance program available for 9/11 job loss victims. Despite the numerous appeals of non-profit, volunteer and community organizations, elected officials and individuals urging an extension of the registration deadline and an expansion of the program eligibility requirements, FEMA terminated the program just as it was beginning to reach out to many of the neediest applicants. These were not recent job loss victims but individuals who only recently had become aware of the programs existence.

### **The President’s Promise**

President Bush charged FEMA with the recovery effort and directed FEMA to “**do whatever it takes**” to assist New Yorkers in the aftermath of this catastrophic event. Since September 11, 2001, then-Director Joe Allbaugh repeatedly told New Yorkers, and the nation, that that is what would happen.

### **Director Allbaugh’s Commitment**

During the 18 months following the disaster, Director Allbaugh repeatedly stated his unwavering commitment to New York:

- **September 14, 2001**, he said “President Bush is committed... this Congress is committed. Whatever it takes, whatever we have to have to put this city... back on their feet, we’re going to get.”<sup>5</sup>
- **October 4, 2001**, “FEMA... will be here for the long haul.”<sup>6</sup>
- **October 6, 2001**, “We want to assure people that there is assistance for all, for as long as they need help.”
- **October 25, 2001**, in response to concerns about potential problems with the program, Director Allbaugh told Matt Lauer of NBC, “We’re going to fix it. That’s what this is all about. The American public deserves to have confidence in a system that will work and that will deliver the services when called upon.” He continued on “... fortunately President Bush has made the commitment to make sure that we have the dollars, along with the assistance of Congress to do what we have to do. I mean, the American public deserves that, at a bare minimum.”<sup>7</sup>
- **December 6, 2001**. Dr. Allbaugh said, “I want individuals here in New York City to know that we will be here for the long term.” Even then he rightfully noted that there would be a delay in people registering for the assistance because, “Emotionally, they are not ready.” Again he said, “We are here for the long term.”<sup>8</sup>
- **February 21, 2002**, “FEMA is committed to being here for as long as it takes.”<sup>9</sup>

- **August 26, 2002.** “President Bush is unwavering in his commitment to help the city and state of New York” after the September 11 attack. “He has directed our agency to continue addressing the concerns of all those affected and offer assistance through a variety of programs until they are no longer needed.”<sup>10</sup>
- **September 24, 2002,** When speaking of FEMA’s continual presence in New York, Director Allbaugh noted that “FEMA, will remain there until every job we can do is done.”
- **December 4, 2002,** “FEMA is still here, with our MRA program ready to assist those who may be in danger of losing their home... as a result of financial hardship caused by the World Trade Center attack.”<sup>11</sup>

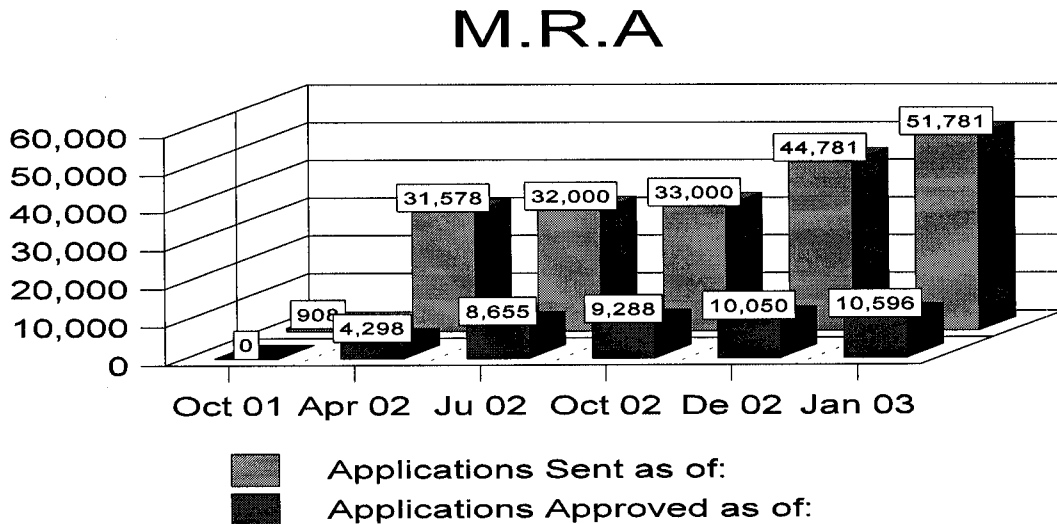
Despite these affirmations, FEMA administered a flawed MRA program. The arbitrary geographic guidelines initially denied thousands of applicants from the entire metropolitan area including New Jersey, Connecticut and Long Island, and contradicted FEMA’s historic commitment to open all Individual Assistance programs to all designated disaster counties. Within a month of the attacks 15 New York counties had been designated disaster counties. FEMA restricted the MRA program to Manhattan workers, barring other 9/11 jobless. The confusing and complex application process resulted in a high level of denied applications and dissuaded otherwise eligible applicants from applying. Compounding the failure to serve 9/11 jobless was the better-late-than-never publicity which left thousands of affected New Yorkers unaware of the federal assistance available to them.

FEMA had abandoned its charge.

### 9/11 Jobless Abandoned by FEMA: The Need for Disaster Relief Persists

In the face of this nation’s most devastating attack, Director Allbaugh arbitrarily determined that New Yorkers could no longer apply to the MRA program after January 31, 2003. This, despite the most recent statistics showing a rise in applications for assistance, as reflected in the fact that, in the first three weeks of January 2003, “the number of new applications mailed out were... 681, 1285, and 2,366, respectively more than 4,000 individuals in the month of January.”<sup>12</sup> This surge in applications speaks to the persistent need for mortgage and rental assistance through FEMA’s MRA program. Margie McHugh of the New York Immigration Coalition noted,

“This is hardly the time to cut the program. Obviously the long overdue advertising is working.”



While roughly 11,000 applicants have benefitted from the MRA program since September 11, 2001, as shown in repeated studies and confirmed by public testimony at numerous hearings and meetings- *tens of thousands* of potential applicants remain unassisted. As earlier noted, the Fiscal Policy Institute determined that “73,900 jobs were lost... as a direct result of the attack, and that another 13,000 jobs had been relocated outside of NYC.” Eliminating the MRA program in order to prevent applicants from applying because they “may” have been affected by the economic downturn, rather than the WTC attacks is an example of FEMA shirking its responsibility to assist those in need. FEMA should have adopted policies used by the major private relief agencies that effectively distributed over a billion dollars in direct relief services, by setting job loss cut off dates, requesting employer verification, and self attestation. The charities report extraordinarily low rates of fraud.

We believe that elimination of the program before otherwise eligible applicants were able to apply will have devastating impact on the City’s ability to recover and leave 9/11 jobless and their families in danger of eviction and foreclosure. President Bush’s directive to continue addressing the concerns of all those affected until the aid is “no longer needed” had not been carried out. But, Director Allbaugh, at his discretion, terminated the MRA program.

**Structural Problems With the MRA Program: 9/11/01- 6/28/02:**

Soon after the disaster, complaints began to surface regarding applicants’ difficulties with the MRA application process. However, it was not until the Spring of 2002, when unrelenting news coverage echoing constituent concerns highlighted the shortcomings of the MRA program, that community organizations, non-profit groups and elected officials began to press for changes. Despite Director Allbaugh’s denial that there were problems with the program, the truth soon became readily apparent.

Since July 15, 2002 the New York Congressional delegation, Members of the New York City Council and New York State Assembly, and various non-profit and community organizations have sent FEMA letters requesting that modifications and corrections be made to the MRA program. These letters repeatedly asked that the flaws in the implementation and administration of the MRA program be fixed, and that the registration deadline be extended. The requests specifically asked that:

- The “direct result” and other restrictive criteria that led to a high rejection rate be modified, and that the arbitrary geographic guidelines be changed to reflect the federally declared disaster areas.
- The requirement that applicants receive an eviction notice before being considered eligible for the program be modified.
- The public outreach regarding program eligibility be greatly improved upon.

We asked that these modifications be made clear to the public before the program was made unavailable to New Yorkers. Until January 30, 2003, we received limited response to our

numerous inquiries. But, more importantly, our repeated requests were ignored. Right up until the end, New Yorkers were given unclear, contradictory information that discouraged them from participating in the MRA program.

### **Management and Administrative Problems**

The MRA program showed signs of mismanagement and trouble with implementation from the start. Despite FEMA's early acknowledgment that "People won't be able to move on with their lives until their basic needs are addressed," and the encouragement that, "There's no need to go it alone,"<sup>13</sup> it was reported that initially, few applicants received assistance.

The Daily News stated that "even two months after the attacks, the agency was still getting 500 to 600 new applications per day."<sup>14</sup> As of April, 31,578 people had requested an application for the MRA program, but just 3,178 ultimately received assistance, for a total of \$13 million distributed.<sup>15</sup> The New York Times reported that FEMA had "rejected 7 out of 10 applicants for housing aid."<sup>16</sup>

On April 26, 2002, The New York Times released a comprehensive criticism spotlighting FEMA's failure to respond adequately to this disaster. When compared to other disasters, very little aid had been distributed through the Individual Assistance programs. Specifically, FEMA "had doled out less than \$65 million to help needy families in the disaster area.... only a fraction of what the nation's frontline relief agency distributed in the months after other major catastrophes."<sup>17, 18</sup>

Despite these claims, Director Allbaugh denied that any problem existed with the MRA program. Rather, he described these problems as "a perception" that FEMA has denied assistance to those who need it. Meanwhile, the Times reported that "interviews and the agency's own records show that those who were rejected included hundreds of Chinatown seamstresses and Manhattan hotel workers, many of them with claims to aid that seemed legitimate."<sup>19</sup>

It was not until after the press highlighted the concerns of individuals and advocacy groups, that FEMA finally acknowledged the problems, postulating that one reason payouts had been slow, is that thousands of people were denied housing aid after Director Allbaugh's determination that benefits would be limited to those who could prove that their lost income was a "direct result" of the attacks."<sup>20</sup> However, other FEMA representatives publically acknowledged in the New York Times that:

"the criteria may have been 'ill-defined' and 'beyond the laws and regulations that have traditionally governed disaster relief efforts,'" further noting that "they were plagued by management blunders and poor coordination with charities." (A)gency officials "concede that their attempts to reach all who need help in the New York region have fallen far short of its initial public promises and its own expectations."<sup>21</sup>

## **Unprecedented Restriction on Eligibility Criteria: Infamous “ Direct Result”**

Despite the evidence showing the “direct result” criteria to be over-strict, arbitrary, and the reason for nearly 70% of denials for the program, Director Allbaugh defended the new requirement as “fiscally responsible,” noting, “You have to draw the line somewhere.” The Director also attributed the low numbers of people receiving aid to “Proud New Yorkers” who have been “reluctant to seek help.” However, on May 2, 2002 the New York Times quoted him as saying that “the direct result” standard is how he was “told to interpret the statute.

It became increasingly clear that the rampant confusion about the MRA program and its poor implementation became a significant problem. When asked, Joshua Gotbaum, Chief Executive Officer of the September 11 Fund, stated “Until FEMA makes it easier to apply and clearer who is eligible, most victims won’t tackle the paperwork, and most of those who do will continue to be rejected.” Further, the Times reported that “confusion over who could qualify for the help is growing.”<sup>22</sup>

This confusion was exacerbated by instances of poorly informed FEMA representatives giving applicants inaccurate information. For example we have received numerous reports of FEMA representatives requesting that applicants obtain confirmation from their employers that they, in fact, worked in the World Trade Center.

Finally in response to scathing newspaper reports, the requests of non-profit and community organizations and a Congressional inquiry, Director Allbaugh announced on June 28, 2002 that the agency had formally changed its eligibility criteria to allow aid to more applicants. The Director is quoted,

“I have directed the most creative and expansive use of the Mortgage and Rental Assistance Program in FEMA’s history.” According to a NY Times report, with the new guidelines, the agency “promises” to work more closely with local volunteer agencies... to reach tens of thousands of additional residents.<sup>23</sup> He said that “ These changes will help ensure that as many residents as possible can be helped by the Mortgage and Rental Assistance Program.”<sup>24</sup>

In all fairness, the use of the use of the word expansion is misleading. This modification was not an expansion, but rather, a partial recovery from a restricted eligibility standard that had basis neither in the law nor in precedent. The number of counties eligible was diminished, rather than expanded to meet the 15 federally declared disaster counties, a modification not previously made in FEMA’s response to disasters.

Although we are pleased that FEMA finally made these changes, thousands of applicants had already been exposed to nearly one year of a confusing application process, overly strict eligibility criteria, and a historically high rejection rate. New Yorkers were discouraged, mistrustful of the program, and reluctant to submit to an application process most viewed as futile. As a result, any real changes in the program administration were slow in effect.

## **Initial Steps to Reform the MRA Program: June 28, 2002**

As the year anniversary of the attacks neared, various reports continued to release information about the unprecedented fiscal impact of the terrorist attacks and the lack of assistance forthcoming from FEMA. According to a study conducted by McKinsey and Company,

“about \$700 million (would) be needed over the next year by some 70,000 workers who have lost jobs and incomes as a result of the destruction at ground zero. Of those 45,000 have seen their incomes drop by more than 25 percent, and some 28,000 are still unemployed.”<sup>25</sup>

By contrast, as of July 17, 2002, FEMA had approved just 5,147 applications.<sup>26</sup>

However, as noted by the New York Immigration Coalition:

“Since the MRA program was overhauled in July of 2002 several important improvements 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 June 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).<sup>27</sup> June 28, 2002 could effectively be considered the first day of the program. Prior to that, barely 30 percent of applicants received any sort of aid, and for all intents and purposes, the MRA program had not been launched.

However, despite these positive steps to improve the MRA program, many concerns persisted. The ongoing concerns were addressed by Members of the New York Congressional delegation in a number of inquiries. We have enclosed copies of these letters for your review.



On July 15, 2002, members of the New York Congressional delegation, sent the enclosed letter regarding their myriad concerns with the MRA program. They expressed hope that any changes to the program would “fully serve those who were adversely effected by the September 11<sup>th</sup> attacks.”<sup>28</sup>

The letter of July 15, 2002 specifically highlighted concerns that “the new guidelines may still be too restrictive” They queried:

- “Why is FEMA not using the historical precedent of including all declared disaster areas in awarding assistance?”
- “Due to initial guidelines and the forbidding nature of some of the procedures, many people were dissuaded from applying for this program... what are the plans for outreach in the community to ensure that all who are eligible and need this assistance receive it?”
- Many of the FEMA caseworkers were stationed outside of New York and did not have applicable knowledge of the area. What is being done to further educate caseworkers with a knowledge of New York?
- In light of the diverse nature of this city, we request that FEMA pursue a campaign with the media including, “non-English publications and advertisements on public transportation, to reach the largest sections of the population that is eligible.”<sup>29</sup>

On August 8, 2002, Members of the Delegation sent an additional letter, reiterating persistent concerns, and noting that “despite the extended deadline and broadened guidelines, there are several actions that clearly need to be taken to ensure that New Yorkers in need actually receive assistance.” Specifically they highlighted concerns regarding outreach, the expansion of the geographic zone and eligibility requirements for MRA assistance:

- “FEMA should reach out to people who registered for assistance prior to the rule change.”
- “FEMA publications must clearly explain the program. (specifically noting that some of FEMA’s literature, “meant to clarify and inform, instead gives confusing and conflicting information.”)
- Outreach. FEMA “should consider a multi-lingual campaign on subways and buses, radio ads and outreach to groups North of Canal Street, and elsewhere in New York.”
- The 25% Income loss is too high a standard for low income households and the requirements should be “reviewed and reconsidered.”<sup>30</sup>

The concerns iterated in the requests of elected officials, community organizations and individuals were soon echoed in the press. On August 27, 2002, the New York Times reported that:

- “the rules are still too arbitrary... that they are unfair to people outside Manhattan. And that they are onerous on low-income workers.”

- “There are concerns that thousands of people, already scarred by their dealings with FEMA, may not have the stomach to try it again.”
- “Until June (program) applications were only printed in English.”
- In reference to the “as a result” phrase inserted into the application project, the outcome was “a 70 percent rejection rate for applicants, which far outstripped the rate in other major relief efforts.”
- Two thirds of FEMA evaluators were “temporary workers...located in Texas, Virginia and elsewhere and sometimes misunderstood New York’s geography and culture.”
- That to replace the “as a result” contingency, FEMA added “a slew of guidelines driven largely by geography and income.”
- “FEMA’s reputation is so besmirched in many parts of New York that even when someone receives help, few people believe it.”<sup>31</sup>

Instead of responding directly to the various inquiries, FEMA released a series of updates that responded only tangentially to the issues raised. <sup>32,33,34</sup>

Finally, nearly two weeks after the one year anniversary of the September 11 attacks, FEMA issued a long overdue response to the various inquiries. The introduction references Section 408(b) of the Stafford Act, noting that MRA “provides temporary mortgage or rental assistance to disaster victims whose inability to meet their housing expenses will result in the loss of their primary residence.” In response to the concerns FEMA stated that:

- “While FEMA believes that the present 25 loss of income provision is a fair and equitable MRA requirement, we are evaluating each applicant’s unique circumstances and making exceptions on a case-by-case basis as appropriate.”

In response to the concerns about outreach, FEMA responded:

- FEMA noted that they explained “enhancement to our disaster assistance programs” to various communities.
- FEMA revised language in a printed but undistributed brochure.
- FEMA targeted local and community-based newspapers... and made radio public service announcements.
- FEMA had implemented AT&T Language line interpreters in over 100 languages.<sup>35</sup>

Despite the repeated requests for reform of the MRA program, FEMA failed to reply to the requests for:

- Increased outreach via bus and subway and mainstream media advertisement.
- A revision of the arbitrary geographic and eligibility criteria.
- An extension of the registration deadline.

Thereafter, Members of the NY delegation submitted several additional letters which remained unanswered. The letter of October 24, 2002, reiterated the need for FEMA to undertake a mainstream publicity campaign. Specifically noting that, despite the news that two ads would be placed in two major newspapers, the concern that “sometime within the past year, a more concerted effort should have been made to aid those individuals who have experienced hardships because of the terrorist attacks:”

- “Insufficient access to, and information about, disaster-related assistance has left many potentially eligible applicants without aid.... The outreach is inadequate to keep up with the information that is frequently confusing and constantly changing.”
- Again we reiterated, “FEMA should consider a multi-lingual campaign on subways, and buses, radio ads and outreach to groups in Manhattan and elsewhere in the New York area.”
- In reference to FEMA literature that had been printed in revised language, we pointed out that “it is unclear exactly what changes have been made or, given that the new language appears in an “undistributed brochure,” if people are seeing the revised version at all.”<sup>36</sup>

Many of the concerns highlighted in these letters were also voiced at a series of meetings hosted by the office of the Inspector General, community forums, town halls and in the press. Again, the NY Delegation along with several non-profit organizations, spear-headed by the New York Immigration Coalition, sent a letter to FEMA dated, December 23, 2002. The detailed letter again reiterated our requests to the FEMA Director that FEMA modify the MRA program. Specifically that FEMA:

- Extend the MRA registration deadline.
- Significantly improve public outreach regarding the MRA program.
- Adjust the 25% loss of income requirement to reflect federal poverty guidelines.
- Expand the zone of MRA eligibility to all individuals within the fifteen designated disaster area counties and the four proximate counties in New Jersey.

Toward the end of the year frustration, apprehension and disillusionment with regard to FEMA’s MRA program abounded. In December of 2002, The New York Times again reported problems with the administration of the MRA program:

- “The agency’s handling of its program to help people avoid eviction or foreclosure has been a representative problem. The agency has admitted bungling the program.”
- They further reported, “To date, some \$84 million has been paid out in the program- less than half the \$175 million that has been dedicated.”

Additionally, FEMA's Office of the Inspector General released its report, an independent review of FEMA's individual assistance programs, "concluding that the agency should have been more flexible and fair in helping people with economic losses. The agency also needs to coordinate better with other government agencies and charities in future disasters."

The report also urged that "more should be done... to capture as many potential applicants as possible," noting that FEMA should have "fair and equitable eligibility criteria", that it should reach "diverse ethnic populations more quickly," and that it should simplify "documentation requirements for applicants."<sup>37</sup> We have enclosed the key findings of the report for your review.

### **Failure to Publicize MRA Program**

Whereas the major relief agencies aggressively advertised their emergency services on billboards throughout the greater New York metropolitan area, in the media (radio, print, and television), and on the subways, FEMA kept a low profile until weeks before the program shut its doors on new registrants. The resultant lack of public awareness combined with the negative word-of-mouth experience shared by frustrated applicants during the first nine months of operations kept victims away from MRA.

FEMA's better-late-than-never approach to MRA Publicity Strategy included:

- Advertisements in ethnic and community-based media in early August 2002, 11 months after the attacks.
- Advertisements in mainstream press (NY Times, Daily News, NY Post, Newsday) in November of 2002, 13 months after the attacks.
- Advertisements in the New York City subway system, in late December/early January, 12 months after the attacks, one month before the MRA registration period closed.
- Placed notice on New York State Unemployment Insurance checks last week of January 2003, seven days before the MRA registration period ended.

These efforts were late in coming. If FEMA's tardiness in publicizing MRA is concerning, the failure to extend the registration deadline as the number of clients requesting applications increase is tragic. The lack of publicity resulted in tens of thousands of eligible 9/11 victims victimized a second time; evicted from their apartments due to mortgage foreclosure or due to inability to make rent payments, that should have been averted with the MRA program.

Despite the numerous inquiries of Members of Congress, ample press coverage, and the findings of a report by the Inspector General, FEMA still failed to address our various concerns. Accordingly, we sent a letter to President Bush on January 27, 2003, delineating our repeated requests regarding the MRA program, urging that "FEMA needs to extend the impending

January 31, 2003 deadline” and requesting that FEMA expand the geographic boundary covered by the MRA program.”

In summary, Members of Congress noted that:

- “ To date, only \$94 million of the allocated \$175 million in FEMA MRA funds have been used.”
- “FEMA did not publicize the MRA program in the mainstream print media until early November 2002, fourteen months after the attacks, and just over two months before the program was scheduled to end.”
- “Only within the past few weeks has the program been publicized on the subways.”

We have enclosed all of the letters to Director Allbaugh from members of the New York Congressional delegation, non-profit and advocacy groups, elected officials from the local and state level, regarding the collective concerns about the MRA program, its flaws and its expiration.

### **CONCLUSION:**

It is painfully clear to those who address the needs of applicants and potential applicants on a daily basis that this program was flawed. More clear is that, had the flaws been fixed, thousands in need, as a result of the attack on this country, would have been provided for. It is clear that when information was properly advertised, as it was nearly 14 months after the disaster, the number of applications increased dramatically. It is clear that when the guidelines were modified in August to be implemented as the program was intended, people were helped. It is clear that the need persists, reaching far beyond the borough of Manhattan, to include large commuter populations in Long Island, Connecticut and New Jersey.

The unmet needs continue. According to a study released by the Fiscal Policy Institute, the situation in New York is escalating. “Since December of 2000, 200,000 jobs have been lost in NYC- half of which is attributable to the WTC attack.”<sup>38</sup> In the enclosed Testimony from 9/11 United Services Group<sup>39</sup>, it is noted that “well over 50% of the clients that seek the services from our member agencies are economic victims of the September 11<sup>th</sup> attack.”<sup>40</sup> Chief Executive Officer of 9/11 United Services Group states that amongst the greatest continuing needs of these clients is “housing assistance to forestall evictions.”<sup>41</sup>

While the problem is clear, FEMA’s solution has been anything but. Sixteen months after the disaster and over 6 months since major modifications to the program were made, January 30, 2003 and the weeks preceding it were still a debacle of mixed-messages and incorrect news. The information that circulated regarding a potential extension of the registration deadline was devastatingly misleading. It is incumbent upon the Federal Emergency Management Agency to publicly clear up all of this misinformation and misunderstanding. For those applicants denied access to the MRA program because of a lack of clarity in regulations and eligibility, poor outreach, and initially arbitrary and strict guidelines, FEMA must permit them access to the aid that they deserve and need to preserve their homes.

President Bush made clear his unwavering commitment to help the city and state of New York. Please make good on the President's mandate to "do whatever it takes." Director Allbaugh himself noted that, "He has directed our agency to continue addressing the concerns of all those affected and offer assistance through a variety of programs until they are no longer needed."<sup>42</sup> Glaring evidence has shown that the MRA program is still needed.

On February 19, 2003, the New York Times reported that:

"The rest of the country may be debating whether the economy is recovering or heading into a second downturn... In New York City there is no question." The article states "Evidence of economic hardship in the city is increasing. There has been a big rise in the number of people who have been jobless for more than six months, and tens of thousands of people have exhausted their unemployment insurance benefits but remain out of work. The number of households not on welfare by receiving food stamps... has risen 20%"

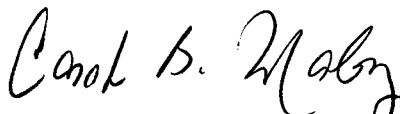
While the author explains that economic downturns occur repeatedly throughout history, "What has surprised economists this time, is that the economic carnage has been concentrated in New York City- and only New York City." According to the Fiscal Policy Institute, "half of the job losses in the last two years can be traced to the economic aftershocks of Sept. 11." Kenneth Adams, president of the Brooklyn Chamber of Commerce said, "People told about the ripple effect of 9/11, but ripple is understating it. To many businesses, it was more like a tsunami."<sup>43</sup>

The need is clear and it is persistent. We once again ask that:

- FEMA re-open the MRA program and extend the registration deadline well into 2003.
- FEMA change the arbitrarily defined geographic boundaries to encompass the 15 federally declared disaster areas and the 4 proximate counties in New Jersey.
- FEMA conduct a broad and comprehensive outreach campaign, via public transportation, television, radio and print ads.
- FEMA publically and comprehensively clarify the changes and reforms to the MRA program so that previously rejected or discouraged applicants will know to reapply.

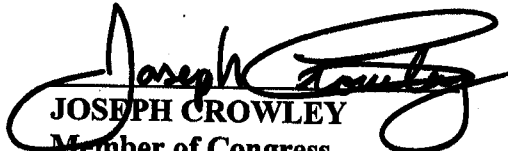
We look forward to meeting with you to discuss these requests. Thank you for your attention to this matter.

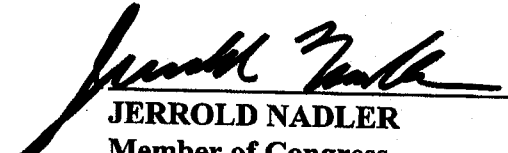
Sincerely,

  
**CAROLYN B. MALONEY**  
Member of Congress

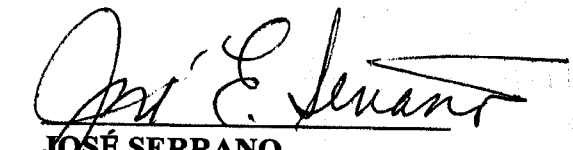
  
**ALLAN J. GERSON**  
City Council Member


  
**MARGIE McHUGH**  
NYIC Executive Director


  
JOSEPH CROWLEY  
Member of Congress

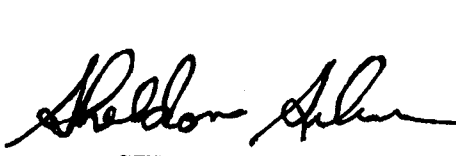
  
JERROLD NADLER  
Member of Congress


  
CHARLES RANGEL  
Member of Congress


  
JOSÉ SERRANO  
Member of Congress

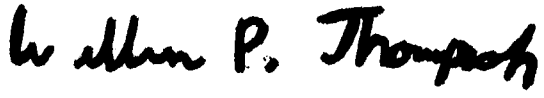
  
EDOLPHUS TOWNS  
Member of Congress

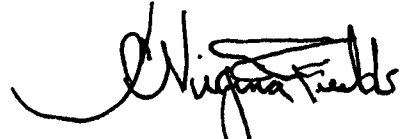
  
NYDIA VELÁZQUEZ  
Member of Congress

  
SHELDON SILVER  
Speaker of the Assembly

  
A. GIFFORD MILLER  
Speaker of the City Council


  
BETSY GOTBAUM  
Public Advocate

  
WILLIAM THOMPSON  
Comptroller

  
C. VIRGINIA FIELDS  
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City Council Member

  
HELEN FOSTER  
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City Council Member



    
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City Council Member      City Council Member      City Council Member

    
DAVID YASSKY      JAMES E. DAVIS      ALBERT VANN  
City Council Member      City Council Member      City Council Member

    
BILL DE BLASIO      YVETTE D. CLARKE      VINCENT GENTILE  
City Council Member      City Council Member      City Council Member

    
KENDALL STEWART      DOMENIC RECCHIA      MICHAEL NELSON  
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MICHAEL McMAHON  
City Council Member

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***South Asian Council for Social Services***, Flushing, NY

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***Latin American Integration Center***, Woodside, NY

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***Child Care Council of Nassau***, Franklin Square, NY

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*New Jersey Council of Churches*, Trenton, NJ

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*Greater Upstate Law Project*, Albany, NY

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*Federation of Organizations*, West Babylon, NY

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*SEIU-Local 32BJ*, New York, NY

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*Long Island Council of Churches*, Hempstead, NY

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*Council of Churches of the City of New York*, New York, NY

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*Good Old Lower East Side*, New York, NY

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*Disaster Relief Project, Presbytery of New York City*, New York, NY

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*Sunset Park Adult & Family Education Center*, Brooklyn, NY

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*Korean Immigrant Services of New York*, New York, NY

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*The New York Board of Rabbis,* New York, NY

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*Asian Americans for Equality,* New York, NY

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*Puerto Rican Legal Defense and Education Fund,* New York, NY

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*Urban Justice Center,* New York, NY

Ken Lederer, Executive Director  
*Central American Refugee Center,* Hempstead, NY

Mae Lee, Executive Director  
*Chinese Progressive Association,* New York, NY

Jenny Lines, Executive Director  
*The International Center in New York,* New York, NY

Kevin Lynch, Political Director  
*District 15, International Association of Machinists and Aerospace Workers,*  
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*Immigration Advocacy Services, Inc.,* Astoria, NY

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*9/11 Long-Term Recovery Program, Greater New Jersey Annual Conference  
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*Portals of Wonder,* New York, NY

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*Brooklyn Perinatal Network,* Brooklyn, NY

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*Afghan Communicator,* New York, NY

Yu Soung Mun, Executive Director  
*Young Korean American Service and Education Center*, Flushing, NY

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*New York City Arts Coalition*, New York, NY

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*United Methodist Committee on Relief*, New York, NY

Cao K. O, Executive Director  
*Asian American Federation of New York*, New York, NY

Joanne M. Oplustil, Executive Director  
*Church Avenue Merchants Block Association*, Brooklyn, NY

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*Alianza Dominicana, Inc.*, New York, NY

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*Manhattan Chamber of Commerce*, New York, NY

Bryan Pu-Folkes, Board Chair  
*New Immigrant Community Empowerment*, East Elmhurst, NY

Sr. Pietrina Raccuglia, MSC, Director  
*Cabrini Immigrant Services*, New York, NY

Tariq Rahman, Executive Director  
*Islamic Circle of North America Relief*, Jamaica, NY

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*Metropolitan Council on Jewish Poverty*, New York, NY

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*Haitian Women for Haitian Refugees*, Brooklyn, NY

Jonathan Rosen, Executive Director  
*New York Unemployment Project*, New York, NY

Sr. Roselle Santivasi, Director  
*Cabrini Immigrant Services*, Dobbs Ferry, NY

Michelle Santanonio, Executive Director  
*Long Island Housing Services, Inc.*, Long Island, NY

Andrew Scherer, Executive Director and President  
*Legal Services for New York City*, New York, NY

Dr. John J. Scibilia, Executive Director  
*Lutheran Disaster Response of New York*, New York, NY

Seydina Senghor, Executive Director  
*Afrika Business Community*, New York, NY

Robert Siebel, Executive Director  
*Catholic Charities of the Diocese of Brooklyn/Queens*, Brooklyn, NY

Brad Silver, Executive Vice President  
*Bronx Jewish Community Council*, Bronx, NY

Rev. Charles H. Straut, Jr., D.Min, Executive Director  
*Disaster Response Task Force, New York Conference*,  
United Methodist Church, New York, NY

Rev. Dr. Harry Taylor, Executive Director  
*New Jersey Interfaith Partnership for Disaster Recovery*, Hillside, NJ

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*United Neighborhood Houses of New York, Inc.*, New York, NY

Jim Williams, Executive Director  
*National Employment Law Project*, New York, NY

Cynthia Zalisky, Executive Director  
*Jackson Heights - Elmhurst Kehillah*, Jackson Heights, NY

Michael H. Zisser, Executive Director  
*University Settlement Society of New York*, New York, NY

- 1 7.15.02 MRA Q&A's ([www.fema.gov/diz01/d1391qanda.shtm](http://www.fema.gov/diz01/d1391qanda.shtm))
- 2 Fiscal Policy Institute, *"Tale of Two Recessions: The Current Slowdown in NYC Compared to the Early 1990's"*, p. 1
- 3 Fiscal Policy Institute, *"Tale of Two Recessions: The Current Slowdown in NYC Compared to the Early 1990's"*, p. 13
- 4 The New York Immigration Coalition, *"Recommendations to Improve FEMA's Mortgage and Rental Assistance (MRA) Program,"* p.2
- 5 FEMA Press Statements- Friday September 14, 2001
- 6 [www.fema.gov/diz01/d1391n20.shtm](http://www.fema.gov/diz01/d1391n20.shtm)
- 7 NBC Today's Show, Interview with Matt Lauer, Thursday, October 25, 2001
- 8 NY1News, Interview, December 6, 2001
- 9 [www.fema.gov/diz01/d1391n62.shtm](http://www.fema.gov/diz01/d1391n62.shtm)
- 10 [www.fema.gov/diz01/d1391ln143.shtm](http://www.fema.gov/diz01/d1391ln143.shtm)
- 11 [www.fema.gov/diz01/d1391ln180.shtm](http://www.fema.gov/diz01/d1391ln180.shtm)
- 12 The New York Immigration Coalition, "Could'a Should'a Would'a", January 31, 2003
- 13 FEMA-1391-DR0NY0-PR-068 October 24, 2001
- 14 Daily News, November 10, 2001
- 15 New York Times, April 26, 2002, Late Edition-Final
- 16 New York Times, May 2, 2002, Late Edition-Final
- 17 New York Times, April 26, 2002, Late Edition-Final
- 18 "The agency (FEMA) ultimately spent more than \$1.4 billion on similar direct financial help to families affected by the California's Northridge earthquake in 1994; at least \$1 billion in Hurricane Georges, which struck Puerto Rico in 1998; \$220 million for storms and floods in Michigan two years ago. While amounts were paid out over years, relief experts say the bulk of the payments occurred in the first months after the disaster." The New York Times, April 26, 2002, Late Edition-Final
- 19 New York Times, May 2, 2002, Late Edition-Final
- 20 New York Times, April 26, 2002, Late Edition-Final
- 21 *ibid.*
- 22 Other criticisms included the practice that "applications are approved or denied by agency evaluators, two-thirds of them temporary workers, at processing centers in Texas, Maryland and Virginia". Poor outreach and the comment that applications forms were only available in English, were also criticized. In May the NY Times reported that "interviews and the agency's own records show that those who were rejected included hundred of Chinatown seamstresses and Manhattan hotel workers, many of them with claims to aid that seemed legitimate." The New York Times, Late Edition-Final, and other sources
- 23 New York Times, June 29, 2002, Late edition- Final
- 24 FEMA-1391-DR-NY, June 28, 2002
- 25 New York Times, July 8, 2002, Late edition- Final
- 26 FEMA-1391-DR-NY, July 17, 2002
- 27 The New York Immigration Coalition, *"Recommendations to Improve FEMA's Mortgage and Rental Assistance (MRA) Program,"* p.3
- 28 July 15, 2002 Letter to FEMA director
- 29 July 15, 2002 Letter to FEMA director
- 30 August 8, 2002 Letter to FEMA director
- 31 New York Times, August 27, Late edition, Final
- 32 FEMA-1391-DR-NY July 17, 2002
- 33 July 17, 2002 PR-127
- 34 FEMA-1391-DR-NY August 9, 2002
- 35 MRA was designed primarily with natural disasters in mind, however because of the "unique character of the city" and the "unprecedented national tragedy" FEMA had to "carefully review the program." "The revised program strives to meet the needs of New Yorkers to the best of our ability." To address the need, FEMA formed a team staffed with senior caseworkers "assigned exclusively to process and review the New York disaster assistance applications." "The goal of the MRA program is to help individuals and families remain in their homes until their disaster-related financial situation stabilizes and allows them to resume housing payments."
- 36 October 24, 2002 Letter to FEMA director
- 34 The New York Times, January 8, 2002, Late edition, Final
- 38 9/11 United Services Group, Testimony for City Council Hearing on "Post 9/11 Human and Social Service Needs in New York City", p. 2
- 39 This organization that includes The American Red Cross, the Salvation Army, Safe Horizon, Catholic Charities of the Archdiocese of New York, UJA Federation of New York, the Asian American Federation, the Hispanic

Federation, the Mental Health Association of New York City and 5 other organizations.

40 *ibid.*

41 9/11 United Services Group, Testimony for City Council Hearing on “Post 9/11 Human and Social Service Needs in New York City”, p. 2

42 [www.fema.gov/diz01/d139ln143.shtm](http://www.fema.gov/diz01/d139ln143.shtm)

43 New York Times, February 19, 2003