



October 2022

DISASTER ASSISTANCE

Actions Needed to Strengthen FEMA's Housing Inspections Process

GAO Highlights

Highlights of [GAO-23-104750](#), a report to congressional committees

Why GAO Did This Study

Since 2017, over 300 presidentially-declared major disasters have occurred across the country. Following such disasters, FEMA conducts housing inspections to assess damages and award assistance for home repairs and other needs to survivors who apply under the Individuals and Households Program.

The Additional Supplemental Appropriations for Disaster Relief Act, 2019 included a provision for GAO to review issues following the 2018 disaster season. This report addresses, among other things, (1) how many Individuals and Households Program applicants were authorized housing inspections and received assistance for major disasters declared from January 2018 to November 2021 and (2) the extent to which FEMA has taken actions intended to improve its housing inspections process since 2018.

GAO analyzed Individuals and Households Program applicant data from January 2018 to November 2021 and reviewed relevant documentation and policies. GAO interviewed FEMA officials and contracted housing inspectors; and observed selected housing inspections.

What GAO Recommends

GAO is making seven recommendations to the Department of Homeland Security (DHS), including that FEMA assess the accuracy of its damage level approach and take steps to ensure its policies on the use of self-assessments are supported by evidence in accurately identifying eligibility for assistance. DHS disagreed with two recommendations, but GAO continues to believe they are warranted.

View [GAO-23-104750](#). For more information, contact Chris Currie at (404) 679-1875 or currie@gao.gov.

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What GAO Found

About 2.7 million people applied to the Federal Emergency Management Agency (FEMA) Individuals and Households Program for major disasters declared from January 1, 2018 through November 1, 2021. Of these applicants, FEMA authorized housing inspections for about 1.4 million and approved about 710,000 applicants for assistance. For those who were not approved for assistance, the most common reasons for ineligibility were that they had insurance, or had insufficient or no reported damage. The median and mean amounts of Individuals and Households Program assistance per applicant were \$2,314 and \$4,157, respectively.

Disaster-related Damages to Homes in California (left) and Texas (right) in 2021



Source: Federal Emergency Management Agency. | GAO-23-104750

FEMA has taken actions since 2018 intended to improve the housing inspections process, but has not always assessed how the changes affect the Individuals and Households Program applicant awards. For example, in part to respond to the COVID-19 pandemic, FEMA streamlined its approach in April 2020 for estimating damages to homes. Instead of recording itemized damages, inspectors estimated the overall damage level of a home based on a smaller set of key indicators (e.g., height of floodwater in a home). However, FEMA has not assessed this new approach to determine if it accurately estimates damages. GAO found that mean awards were 35 percent lower under the new approach than under the prior approach.

In March 2020, FEMA began using applicant self-assessment questions to determine whether to authorize housing inspections for applicants. According to the new policy, applicants who self-assessed having minor home damage would not receive an inspection, and therefore not receive certain types of assistance, unless they took additional steps to request an inspection. FEMA's goal was to reduce the number of required inspections and deliver assistance to applicants with the greatest need first. However, FEMA analysis and GAO's observations indicate that these self-assessments are not a reliable indicator of eligibility. For example, from January 2018 to November 2021, 43 percent of applicants who self-assessed minor damage were found to have eligible damages. Although FEMA discontinued this practice, officials told GAO that the policy remains in place for FEMA to implement at its discretion in the future. Ensuring its policy on the use of self-assessments is supported by evidence could help FEMA ensure it accurately identifies eligibility for assistance.

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Abbreviations

CA	California
DHS	Department of Homeland Security
DR	Declared disaster
FEMA	Federal Emergency Management Agency
HIS	Housing Inspection Services
HUD	Department of Housing and Urban Development
IA	Individual Assistance
IA	Iowa
IAPPG	Individual Assistance Program and Policy Guide
IHP	Individuals and Households Program
IRND	Ineligible Reported No Damage
ONA	Other Needs Assistance
PWS	Performance Work Statement
SBA	U.S. Small Business Administration
SC	South Carolina
TX	Texas
WVO	Withdrawn – Applicant Withdrew Voluntarily
WVOA	Voluntary by Applicant

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October 26, 2022

Congressional Committees

Since 2017, over 300 presidentially-declared major disasters¹ have occurred across the 50 states and all U.S. territories; and select appropriations for disaster assistance from 2015 through 2021 totaled \$315 billion.² The costs of these disasters are projected to increase as extreme weather events become more frequent and intense, according to the U.S. Global Change Research Program.³ The Federal Emergency Management Agency (FEMA), a component of the Department of Homeland Security (DHS), leads the federal effort to help individuals recover from disasters by providing aid to disaster survivors through the Individual Assistance (IA) Program.

FEMA's Individuals and Households Program (IHP)—a sub-program under the IA Program—provides housing assistance and Other Needs Assistance to eligible individuals and households affected by a presidentially-declared major disaster who have uninsured or underinsured necessary expenses and serious needs.⁴ From January 1, 2018 through November 1, 2021, FEMA provided about \$4.5 billion in

¹For the purposes of this report, we refer presidentially-declared major disaster as major disaster or major disaster declared.

²A presidentially-declared major disaster refers to any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which the president determines causes damage of sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating damage, loss, hardship, or suffering. See 42 U.S.C. § 5122(2). This total includes \$240 billion in select supplemental appropriations to federal agencies for disaster assistance and approximately \$75 billion in annual appropriations to the Disaster Relief Fund for fiscal years 2015 through 2021. It does not include other annual appropriations to federal agencies for disaster assistance.

³U.S. Global Change Research Program, *Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, vol. 2* (Washington, D.C.: 2018, revised Mar. 2021). The U.S. Global Change Research Program is a research coordinating body that spans 13 federal agencies.

⁴Other Needs Assistance consists of financial assistance for other necessary expenses and serious needs caused by the disaster such as those related to personal property (e.g., furniture).

financial housing assistance and Other Needs Assistance under IHP.⁵ Housing assistance includes two categories of assistance: (1) financial assistance (funds paid directly to eligible individuals and households to cover home repairs, among other things), and (2) nonfinancial assistance (direct housing services to survivors, such as manufactured housing units).⁶

In 2020, we reported on the IHP related to housing assistance and Other Needs Assistance to individuals impacted by major disasters.⁷ We found that survivors of major disasters faced numerous challenges obtaining aid and understanding the IHP. We made 14 recommendations to address these challenges. They included that FEMA identify and implement strategies to provide additional information to applicants about how it determined their eligibility for assistance and the amount of assistance to award. FEMA agreed with all 14 recommendations and as of April 2022, FEMA had implemented five of the 14. In 2019, we reported on FEMA's efforts to provide disaster assistance to individuals who are older or have disabilities.⁸ We recommended, among other things, that FEMA implement new application questions that improve its ability to identify and address survivors' disability-related needs. FEMA agreed and in May 2019, revised its application to ask directly if survivors had a disability.

According to FEMA, catastrophic disasters are difficult and life-changing events that disrupt lives and hurt communities economically and socially. For example, severe disasters may lead to the loss of life, render homes uninhabitable, and destroy important documents and possessions. Survivors who have disaster-related damages to their home (e.g., flooding or structural damage) or personal property losses (e.g., furniture,

⁵The amounts of financial Housing Assistance and Other Needs Assistance FEMA provided under IHP was approximately \$4.5 billion during these calendar years. This include \$518 million in 2018, \$193 million in 2019, \$2 billion in 2020, and \$1.8 billion from January to November 1, 2021.

⁶For purposes of this report, we reviewed IHP financial housing assistance and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicants. Also under Other Needs Assistance, we reviewed assistance related to housing, such as personal property assistance, and excluded assistance related to medical, funeral, transportation, or dental needs.

⁷GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's Individuals and Households Program*, [GAO-20-503](#) (Washington, D.C.: Sept. 30, 2020).

⁸GAO, *Disaster Assistance: FEMA Action Needed to Better Support Individuals Who are Older or Have Disabilities*, [GAO-19-318](#) (Washington, D.C.: May 14, 2019).

Disaster-related Damages to Homes in California (top) and Texas (bottom) in 2021



Source: Federal Emergency Management Agency. | GAO-23-104750

clothing, and appliances) may be eligible for financial assistance to help with their recovery. FEMA inspects the homes of survivors who apply for disaster assistance and report disaster-related damages to their home or personal property to verify damages.

The Additional Supplemental Appropriations for Disaster Relief Act, 2019, included supplemental appropriations for us to review issues related to presidentially-declared major disasters following the 2018 disaster season.⁹ This report addresses:

- (1) the extent to which FEMA authorized housing inspections and approved applicants for IHP assistance for major disasters declared from January 2018 to November 2021, and reported and recorded these data;
- (2) the extent to which FEMA has taken actions intended to improve its housing inspections process since 2018; and
- (3) any challenges FEMA experienced in conducting housing inspections since 2018, and opportunities to address them.

To address our first objective, we reviewed relevant laws and FEMA’s IHP guidance, such as its May 2021 *Individual Assistance Program and Policy Guide*, to understand its policies and processes for providing IHP assistance, including how it refers applicants to the IHP and authorizes housing inspections.¹⁰ We also reviewed our prior reports related to IHP assistance.¹¹

We also analyzed FEMA’s IHP applicant data from the National Emergency Management Information System for disaster survivors who applied for assistance for major disaster declarations that included IA

⁹Pub. L. No. 116-20, 133 Stat. 871, 892 (2019).

¹⁰FEMA, *Individual Assistance Program and Policy Guide (IAPPG)*, FP 104-009-03 (Washington, D.C.: May 2021). FEMA uses the term “issued” to denote a housing inspection it has authorized for an inspector to assess disaster related damages to an IHP applicant’s residence.

¹¹GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA’s Individuals and Households Program*, [GAO-20-503](#) (Washington, D.C.: Sept. 30, 2020) and GAO, *Disaster Assistance: FEMA Action Needed to Better Support Individuals Who are Older or Have Disabilities*, [GAO-19-318](#) (Washington, D.C.: May 14, 2019).

from January 1, 2018 through November 1, 2021.¹² We analyzed the most recent data available since our prior report on IHP assistance in 2020.¹³ Further, we analyzed the IHP applicant data to identify and compare various outcomes—such as approval rates and award amounts—overall and across different applicant groups, from January 1, 2018 through November 1, 2021.

We assessed the reliability of the data by reviewing FEMA’s documentation about internal controls used to manage the National Emergency Management Information System; interviewing officials responsible for these data from FEMA’s Recovery Reporting Analytics Division; and testing the data for missing data, outliers, and obvious errors. Based on these steps, we determined these data to be sufficiently reliable for the purposes of reporting IHP application outcomes from January 1, 2018 through November 1, 2021.

We also interviewed officials from FEMA’s Housing Inspection Services (HIS) Unit, Office of Chief Counsel, the Privacy Office, and officials from four of 10 FEMA regions to understand the agency’s data policies, including those on managing and safeguarding its IHP applicant data.¹⁴ Additionally, we assessed FEMA’s reporting of IHP applicant outcomes as well as housing inspection statuses against the information and communication component of the *Standards for Internal Control in the Federal Government*.¹⁵

To address our second objective, we reviewed relevant laws, including the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).¹⁶ We also reviewed FEMA IHP guidance and policy documents, such as *FEMA Policy: Streamlined Inspection Process Individuals and Households Program Policy (Interim)*, to understand how

¹²For the purposes of this report, we reviewed IHP applicant data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021. As such, our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

¹³[GAO-20-503](#).

¹⁴FEMA has 10 regional offices located across the United States to oversee federal emergency management. We interviewed officials from FEMA Regions 4, 6, 7, and 9.

¹⁵GAO, *Standards for Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

¹⁶42 U.S.C. § 5121 et seq.

it has conducted and overseen IHP housing inspections since 2018.¹⁷ We examined FEMA’s contracts with the two housing inspection companies—Vanguard Inspection Services (Vanguard) and WSP—in place since calendar year 2018 to identify any controls and mechanisms to ensure the quality and consistency of FEMA’s housing inspections.

In addition, we analyzed FEMA documentation on how it developed and implemented the approach it has used to determine IHP awards since April 2020. We analyzed FEMA’s IHP data to identify any trends in IHP awards FEMA made under its different policies to determine award amounts since January 1, 2018. We examined FEMA’s housing inspections process against relevant elements of the *Framework for Managing Fraud Risks in Federal Programs* (Fraud Risk Framework) related to planning and designing fraud risk assessments.¹⁸ We also assessed FEMA’s efforts related to policy changes involving housing inspections against the control environment component of the *Standards for Internal Control in the Federal Government*.¹⁹

We interviewed officials from FEMA’s headquarters including the IA Division, IA Field Services Section, HIS Unit, and Recovery Reporting Analytics Division to understand FEMA’s oversight of housing inspection policies. We also interviewed management officials from Vanguard and WSP as well as FEMA in-house and contracted housing inspectors about their processes for conducting inspections.²⁰

Additionally, we interviewed emergency management officials from four selected states and officials from selected non-governmental organizations that help disaster survivors access IHP assistance. We selected California, South Carolina, Texas, and Iowa for these interviews because each of these states had major disasters during multiple years of

¹⁷FEMA, *FEMA Policy: Streamlined Inspection Process Individuals and Households Program Policy (Interim) FEMA Recovery Policy*, FP 104-009-15 (Washington, D.C.: Mar. 17, 2020).

¹⁸GAO, *Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington, D.C.: July 28, 2015).

¹⁹[GAO-14-704G](#).

²⁰For the purposes of this report, “FEMA’s in-house housing inspectors” refers to FEMA employed housing inspectors; “contracted housing inspectors” refers to inspectors from the two housing contractors (Vanguard and WSP); and “housing inspectors” refers to all of the housing inspectors, collectively. We discuss how we selected and interviewed these housing inspectors later in the report.

the time period of our review, and they represented geographic diversity. We also interviewed officials from the four FEMA regional offices associated with these four states to understand how the housing inspections process operates. Finally, we selected a non-governmental organization from each of these states to interview based on our previous work and interviews conducted with FEMA, state, and local officials. We interviewed representatives from these organizations about their experiences working with IHP applicants.

To address our third objective, we reviewed FEMA policy and guidance related to IHP housing inspections.²¹ We reviewed FEMA's contracting documents with Vanguard and WSP to understand the terms and conditions of the contracts. We analyzed documentation on FEMA policies and plans for addressing challenges with the IHP housing inspections, and compared these efforts against key program management principles from the Project Management Institute's *A Guide to the Project Management Body of Knowledge*.²² We interviewed officials from FEMA headquarters, including those from the HIS Unit and the Office of the Chief Component Procurement Officer-Contracts, and officials from the four FEMA regions. We also interviewed management officials from Vanguard and WSP, and FEMA in-house and contracted housing inspectors to obtain their perspectives of the IHP housing inspections process.

To address our second and third objectives, we observed six remote inspections that FEMA in-house inspectors conducted for a major disaster declared in Louisiana in June 2021. We also observed 12 in-person initial hybrid inspections that FEMA in-house inspectors conducted for a major disaster declared in Michigan in July 2021. We also conducted group discussions with 23 randomly selected housing inspectors consisting of eight FEMA in-house inspectors, six Vanguard inspectors, and nine WSP inspectors to obtain their perspectives on conducting IHP housing inspections. We randomly selected housing inspectors for these group discussions from a group of inspectors who had relatively high experience conducting inspections (in terms of number of inspections and years of

²¹FEMA, *Fact Sheet: What You Need to Know: Housing Inspections* (Washington, D.C.: Nov. 21, 2018).

²²Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Sixth Edition (2017)*. PMBOK is a trademark of Project Management Institute, Inc. The Project Management Institute is a not-for-profit association that, among other things, provides standards for managing various aspects of projects, programs, and portfolios.

experience), and who had collectively conducted inspections across a variety of geographic locations and disaster types.

For additional details on our objectives, scope, and methodology, see appendix I.

We conducted this performance audit from January 2021 to October 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Individuals and Households Program (IHP) Assistance

FEMA's IHP provides two categories of assistance: (1) housing assistance, which consists of financial and nonfinancial assistance; and (2) Other Needs Assistance (ONA).

Housing assistance. FEMA may provide financial and nonfinancial (i.e., direct) housing assistance to individuals and households who are displaced or whose residences are rendered uninhabitable as a result of damage caused by a major disaster.²³ Financial assistance may include reimbursement for expenses incurred by disaster survivors for time spent at hotels or for other temporary lodging, rentals, and home repair or replacement. Also, at the request of a state, territorial, or tribal government for a given disaster, FEMA may provide nonfinancial housing assistance such as manufactured housing units, or direct lease

²³42 U.S.C. § 5174(b)(1). FEMA may provide such assistance to individuals with disabilities whose residences are rendered inaccessible or uninhabitable as a result of damage caused by a major disaster.

assistance (i.e., FEMA leases existing residential properties for use as temporary housing for eligible applicants).²⁴

ONA. This consists of financial assistance for other necessary expenses and serious needs caused by the disaster.²⁵ Some types of ONA are only provided if an individual does not qualify for a disaster loan from the U.S. Small Business Administration (SBA); this assistance includes personal property (e.g., furniture) and transportation assistance, and group flood insurance policies. Other types of ONA can be provided regardless of loan qualification from the SBA, including funeral, medical, dental, child care, critical needs, clean and sanitize, moving and storage, and other miscellaneous items (e.g., chainsaw).²⁶

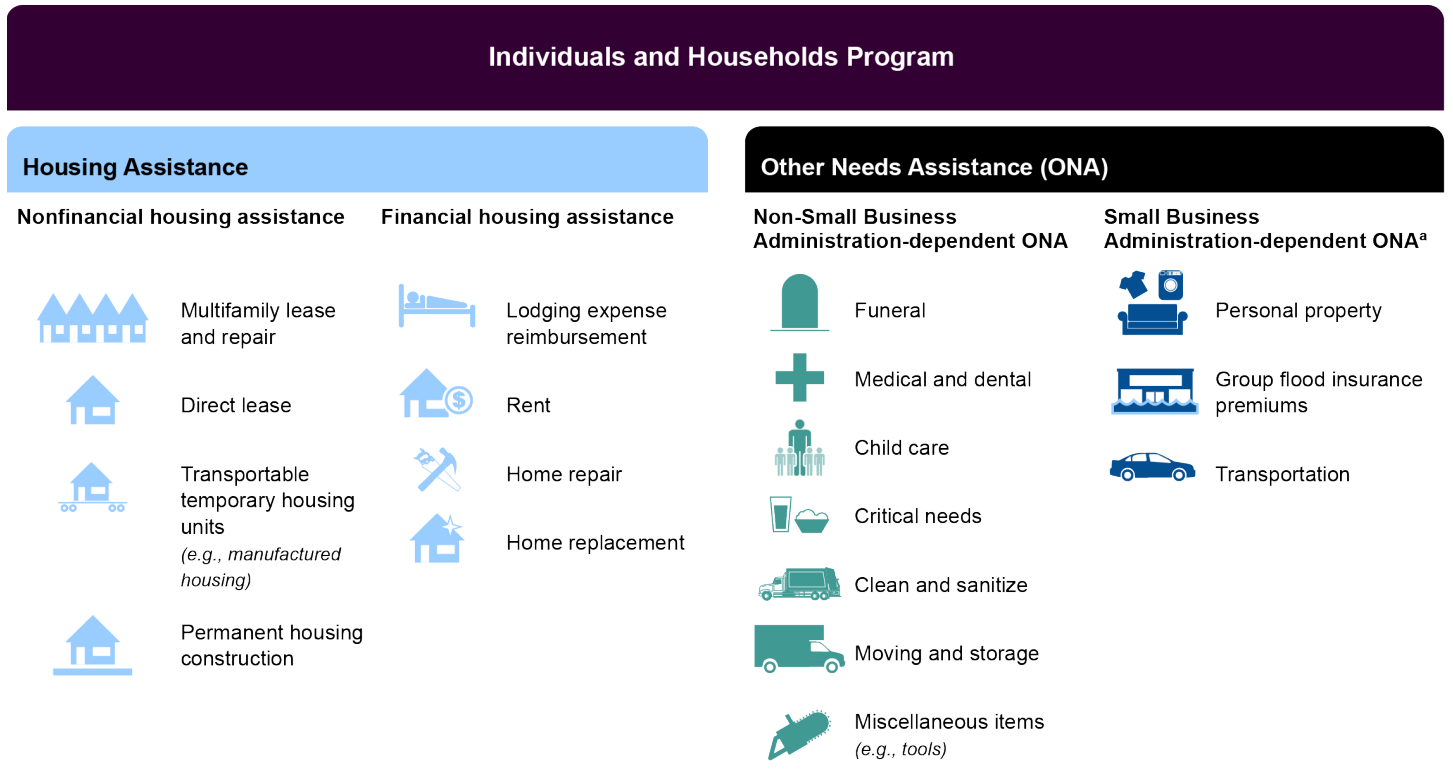
Figure 1 illustrates the types of IHP housing assistance and ONA available to individuals. The types of assistance an applicant may receive after a disaster vary based on the damage caused by the disaster, among other things.

²⁴42 U.S.C. § 5174(c)(1)(B). FEMA may also provide permanent or semipermanent housing construction in insular areas outside the continental United States and when no alternative housing resources are available and the types of temporary housing discussed above are unavailable, infeasible, or not cost-effective. 42 U.S.C. § 5174(c)(4). For the purposes of this report, we reviewed the IHP financial housing assistance and excluded the nonfinancial housing assistance (i.e., direct housing assistance) as the former assistance pays funds directly to the applicants. Also under ONA, we reviewed assistance related to housing, such as personal property and excluded assistance related to medical, funeral, transportation, or dental needs.

²⁵42 U.S.C. § 5174(e). In 2021, FEMA expanded ONA to renters and homeowners with disaster-caused real property damage that did not render the home uninhabitable and who had not been considered eligible for such assistance from FEMA.

²⁶Critical needs assistance may be provided to survivors with immediate or critical needs because they are displaced from their primary residence. Immediate or critical needs are life-saving and life-sustaining items. They include water, food, first aid, prescriptions, infant formula, diapers, consumable medical supplies, durable medical equipment, personal hygiene items, and fuel for transportation.

Figure 1: Types of Assistance Available under FEMA’s Individuals and Households Program



Source: GAO analysis of Federal Emergency Management Agency (FEMA) documentation. | GAO-23-104750

^aFEMA requires individuals with certain incomes based on family size to apply to the U.S. Small Business Administration (SBA) Disaster Loan Program and be denied or receive a partial loan before FEMA will consider them for SBA-dependent ONA.

According to FEMA, the IHP is intended to supplement individuals’ recovery efforts and is not a substitute for insurance. For most forms of IHP assistance, there is a maximum amount an eligible applicant can receive. FEMA adjusts this amount annually based on changes in the Consumer Price Index for All Urban Consumers, as published by the

Department of Labor.²⁷ The maximum amount of financial assistance an eligible applicant could receive in fiscal year 2022 was \$75,800 (\$37,900 for financial housing assistance plus \$37,900 for ONA).²⁸ FEMA generally limits IHP assistance to 18 months following the date of the disaster declaration.²⁹

Individuals and Households Program Organization and Process

Within the Individual Assistance (IA) Division, the IHP Service Delivery Branch is responsible for managing the IHP and consists of three sections:

- **Program Management Section**—develops and implements policies, ensures coordination throughout the IHP.
- **Field Services Section**—delivers services to disaster survivors and coordinates the deployment of resources to the field. This section includes the Housing Inspection Services (HIS) Unit, the primary entity responsible for managing the execution of housing inspections. According to FEMA, the Field Services and the Program Management Sections are responsible for coordinating to provide technical assistance, guidance, and training for inspectors on housing inspections to ensure consistency with law, regulations, and policy.³⁰
- **Applicant Services Section**—includes call center and case processing staff who help survivors apply for FEMA assistance,

²⁷In 2018, the Stafford Act was amended by the Disaster Recovery Reform Act of 2018, and those amendments generally applied to each major disaster and emergency declared by the President on or after August 1, 2017. The act included a provision that established separate maximum amounts for financial housing assistance and ONA, thus doubling the maximum amount an eligible applicant could receive. The act also removed temporary housing assistance, such as rental assistance and lodging expenses reimbursement, and assistance toward repairing or replacing disability-related real and personal property items from the financial assistance limits, so there is no limit for those items. Pub. L. No. 115-254, div. D, § 1202(a), 1212, 132 Stat. 3186, 3438, 3448 (codified at 42 U.S.C. § 5174(h)). FEMA will only provide assistance when the total initial IHP award amount is a minimum of \$50 and there is no minimum award amount for subsequent awards.

²⁸The maximum amount of financial assistance an eligible applicant could receive from fiscal years 2018 through 2021 was \$68,000 (\$34,000 for financial housing assistance plus \$34,000 for ONA), \$69,800 (\$34,900 plus \$34,900), \$71,000 (\$35,500 plus \$35,500), \$72,000 (\$36,000 plus \$36,000), respectively.

²⁹42 U.S.C. § 5174(c)(1)(B)(iii); 44 C.F.R. § 206.110(e).

³⁰FEMA's Office of the Chief Component Procurement Officer is responsible for overseeing contractor compliance with the housing inspections contracts.

answer their questions on the Disaster Helpline, and process cases for IHP assistance.

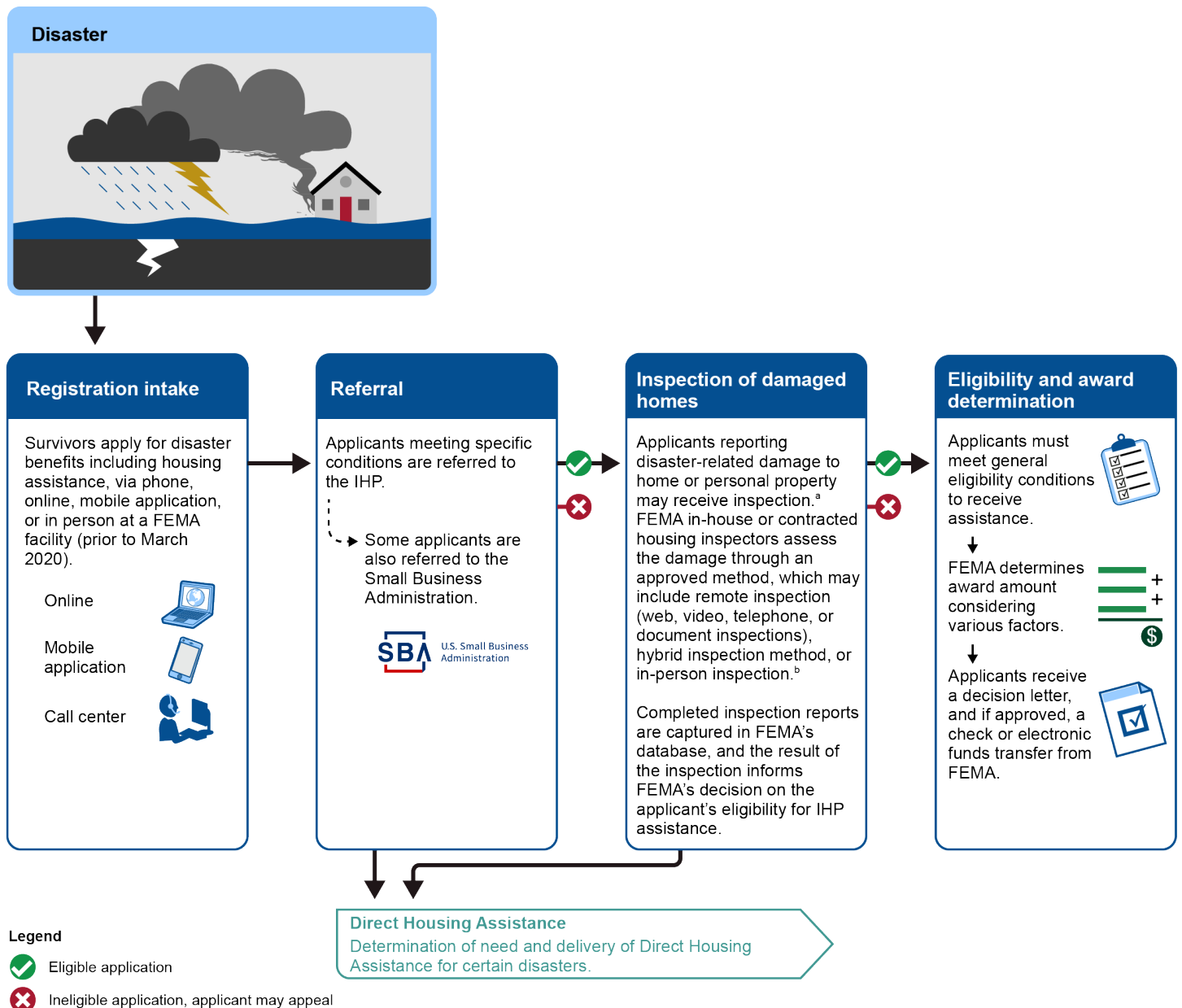
FEMA's regional staff are responsible for managing and overseeing IHP operations in their region. In areas impacted by a disaster, FEMA's process is to establish disaster recovery centers in the area. These centers are facilities where survivors may go to apply for the IHP and obtain information about other FEMA programs, as well as other disaster assistance programs.³¹

After a survivor applies for assistance under the IHP, FEMA is to refer those applicants who meet certain conditions to the program for housing related assistance. It then conducts a housing inspection to collect damage information and verify program eligibility. FEMA's housing inspections have taken the form of in-person, remote, and hybrid (i.e., in-person, no-entry exterior inspections of applicants' homes using the inspection questions developed for the remote inspection process).³² We describe these types of inspections in more detail later in the report. Following the inspection, FEMA uses the data collected to determine the amount of assistance to award the applicant. Figure 2 illustrates the IHP process.

³¹According to FEMA, since March 2020, due to the COVID-19 pandemic, the agency has temporarily closed the disaster recovery center units but survivors could apply for assistance via phone, online, or mobile application.

³²Throughout this report, hybrid housing inspection(s) refers to in-person, no-entry exterior inspections of survivors' damaged homes using the inspection questions developed for the remote inspection process.

Figure 2: The Federal Emergency Management Agency’s (FEMA) Individuals and Households Program (IHP) Process



Source: GAO summary of FEMA IHP information. | GAO-23-104750

^aPrior to September 2021, FEMA used a streamlined inspection process in which applicants who self-reported that their home had minor damage and was still habitable did not receive inspections. Instead of an inspection, FEMA asked applicants to self-assess and report their housing damages. In September 2021, FEMA began requiring that applicants requesting housing assistance receive inspections.

^bIn June 2021, FEMA began using a hybrid housing inspection approach where inspectors conduct in-person, no-entry exterior inspections of applicants' damaged homes using a set of inspection questions developed for the remote inspection process.

Housing Inspections Organization and Process

Housing Inspections Organization

According to FEMA officials, the Field Services Section established a cadre of in-house inspectors beginning in 2018 as a response to challenges FEMA faced with the inspections process following the 2017 hurricanes Harvey, Irma, and Maria.³³ As of November 2021, FEMA had 100 in-house inspectors, who were full-time employees stationed in Texas, Virginia, and Puerto Rico. Depending on the size of the disaster, it may conduct inspections fully in-house. According to HIS officials, most disasters are beyond FEMA's capacity for inspection, and it solicits a task order from its contractors to conduct inspections.³⁴

The HIS Unit is responsible for managing and overseeing its two contracted inspection companies—Vanguard and WSP. As of November 2021, there were about 4,750 inspectors across both firms; and they conduct more than 90 percent of FEMA's housing inspections in a given year, according to FEMA HIS officials.

Housing Inspections Process

Prior to and during a declared disaster, FEMA requests its housing inspection contracting companies—Vanguard and WSP—to submit a proposal for conducting IHP housing inspections. According to documentation, contractors are required to submit in their proposal the number of available housing inspectors, their ability to meet FEMA's inspection schedule for the disaster, and the inspection costs. While the proposal process is in progress, FEMA HIS officials stated that its in-house inspectors will begin conducting inspections at the onset of a disaster, or as needed. According to FEMA, for major disasters declared

³³A "cadre" is a group of FEMA employees organized by operational or programmatic functions and FEMA Qualification System positions that perform disaster-related activities during FEMA disaster operations.

³⁴For the purposes of this report, a task order is a written work request order or proposal submitted by contractors to FEMA to conduct IHP housing inspections for a major disaster. This task order proposal includes information such as the number of the contractor's housing inspectors who can respond to the disaster, information on how quickly they can meet the production schedule of inspections for the disaster, and the inspection costs.

from January 1, 2018 through November 1, 2021, FEMA assigned in-house inspectors to conduct about 117,900 housing inspections.

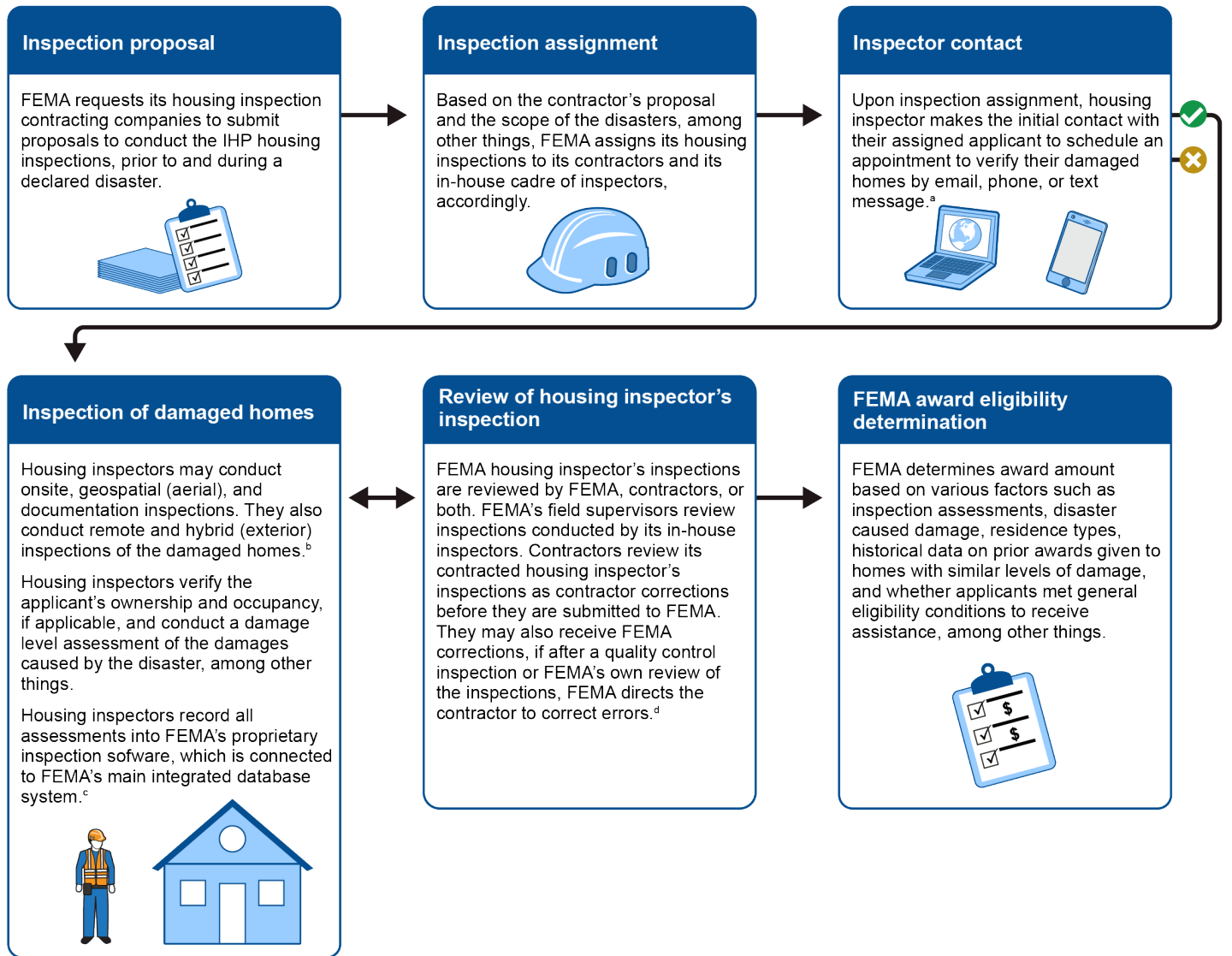
According to FEMA HIS officials, FEMA issued 62 task orders for WSP (29 orders) and Vanguard (33 orders) to conduct IHP housing inspections for major disasters declared from January 1, 2018 through November 1, 2021.

Once inspections are assigned, FEMA notifies housing inspectors of the inspections they are assigned to conduct through their work computer, tablets, or deployment teams. Subsequently, the inspectors are to make their initial contacts with applicants, generally by emails, telephone calls, or text messages.

As part of the inspection, housing inspectors are to verify the applicant's proof of occupancy and ownership when not verified through the public records search, record cause of damage, and confirm the size of the home and number of people living there, among other details. Housing inspectors also are to verify other types of eligible losses caused by the disaster, such as personal property (e.g., appliances, furniture) and transportation losses.

Once completed, the inspections records become an input to FEMA's database system used for overseeing inspections and determining award types and amounts. According to FEMA, IHP award amounts are determined by assessing the cause of the damage, residence type (e.g., mobile home, house (standard slab), apartment, condominium), and—since March 2020—historical data on the most commonly recorded types of damage to real property components from past in-person housing inspections. Figure 3 describes FEMA's IHP housing inspections process.

Figure 3: The Federal Emergency Management Agency’s (FEMA) Individuals and Households Program (IHP) Housing Inspections Process



Legend

- Eligible application
- Ineligible application but applicant may be reinstated for inspection under certain conditions (e.g., re-contact with applicant)

Source: GAO analysis based on FEMA and contracted companies’ information. | GAO-23-104750

^aIn case of applicants who are unable to be contacted, FEMA requires inspectors to take aggressive efforts such as at least 3 calls or texts on at least 3 different days for a period of 7 days, before these applicants are notified to FEMA as “no contact” and removed from the inspections queue. In some

cases, according to housing inspectors, these applicants may be reinstated into the inspections queue if they inform FEMA's call centers.

^bIn March 2020, FEMA mainly conducted remote inspections due to the COVID-19 pandemic which included web, video, telephone, and document inspections. Subsequently, since June 2021, FEMA has used hybrid housing inspections. These are in-person, no-entry exterior inspections of applicants' damaged homes using the inspection questions developed for the remote inspection process.

^cThe inspection records entered into FEMA inspection tablets are uploaded to the National Emergency Management Information System, FEMA's database system used to track disaster data.

^dWhile contractor corrections are less formal, FEMA corrections are more formal, which may impact the contractor's future work.

A FEMA housing inspection is not designed to collect information on all damages and losses the applicant experienced because IHP assistance is intended only to meet uninsured or underinsured necessary expenses and serious needs. Accordingly, it cannot compensate for all losses caused by a disaster. According to FEMA officials, the elements of a housing inspection may differ depending on the types of residence and disaster—for example, whether the residence is a single-family home or a mobile home and whether the disaster is a flood, fire, earthquake, or water and wind.

FEMA Authorized Housing Inspections but Does Not Report or Record Housing Inspections Data in a Consistent or Useful Way

FEMA Authorized Housing Inspections for about 1.4 Million Applicants and Approved about 710,000 Applicants for Assistance

About 2.7 million individuals or households applied for IHP assistance for major disasters declared from January 1, 2018 through November 1, 2021.³⁵ Of these 2.7 million applicants, FEMA referred about 2.1 million applicants (80 percent) to the IHP—that is, it referred those who met certain conditions, such as having disaster-related damages, to the

³⁵For the purposes of this report, we reviewed IHP applicant data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021. As such, our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

program.³⁶ Of the roughly 2.1 million referred applicants—FEMA authorized about 1.6 million housing inspections for about 1.4 million applicants (67 percent of the referred applicants).³⁷ Further, about 710,000 referred applicants (34 percent) received assistance.

Referred IHP Applicants

Based on our analysis of FEMA's data on the 2.1 million referred applicants, as shown in figure 4:

Federal Poverty Guidelines

Each year, the Department of Health and Human Services issues federal poverty guidelines, which represent an annual household income for different household sizes and locations. For example, the 2018 poverty guideline for a family of four in any of the 48 contiguous states and the District of Columbia was \$25,100. In comparison, the 2018 guidelines for a family of four in Alaska and Hawaii were \$31,380 and \$28,870, respectively. The guidelines are not defined for U.S. territories.

Federal poverty guidelines are used to determine financial eligibility for certain federal programs. For example, the Department of Agriculture's National School Lunch Program provides lunches to children in schools for free if their household income is at or below 130 percent of the poverty guidelines, and at a reduced price if their household income is between 130 percent and 185 percent of the guidelines.

Source: Department of Health and Human Services and Department of Agriculture. | GAO-23-104750

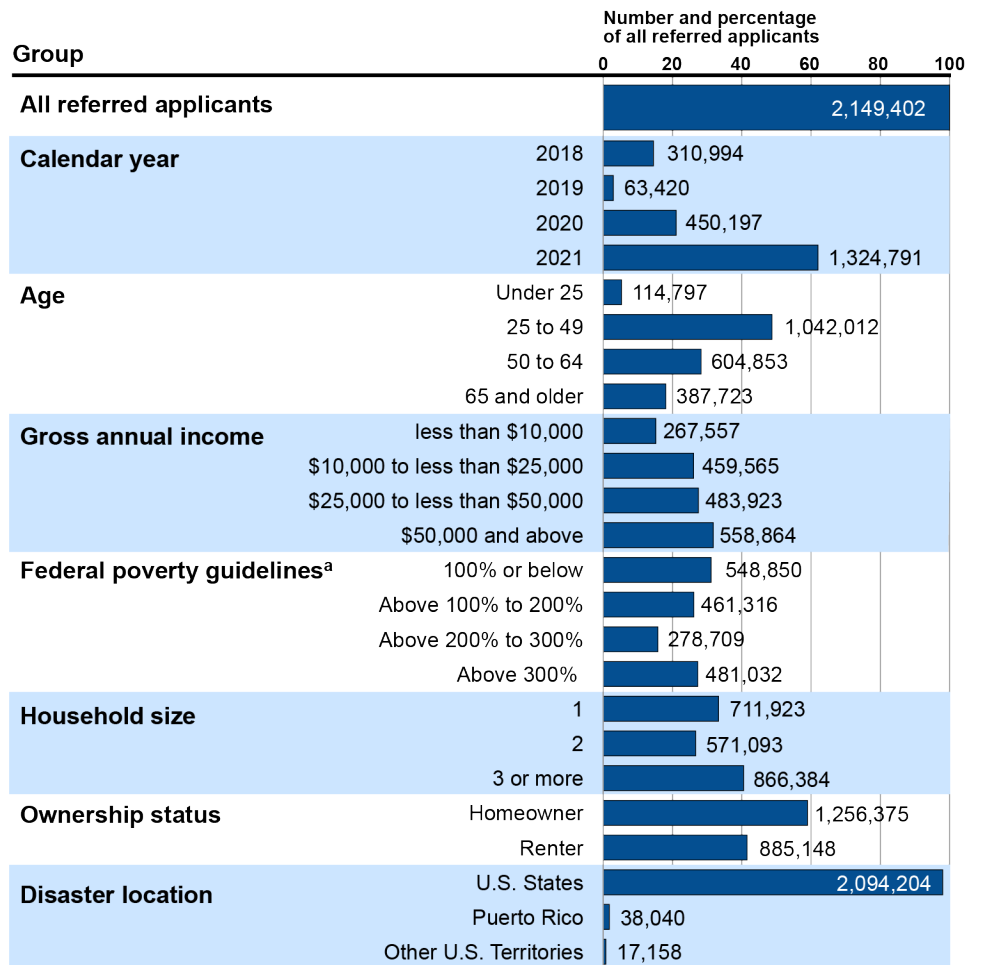
- About 550,000 applicants (31 percent) lived at or below 100 percent of the federal poverty guideline,
- About 1 million applicants (48 percent) were between the ages of 25 and 49;
- About 560,000 applicants (32 percent) reported a gross annual income of \$50,000 and above;
- About 870,000 applicants (40 percent) were from households with three or more individuals; and
- About 1.3 million applicants (59 percent) were homeowners.

See sidebar for more information about the federal poverty guidelines and appendix II for our supplemental analysis on applicants who FEMA referred for financial housing assistance or personal property assistance only, or both kinds of assistance.

³⁶We reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance. We have excluded from our analysis about 94,000 applicants referred to the IHP whom FEMA assessed for those other types of Other Needs Assistance. We have also excluded about 16,000 applicants who were referred to the IHP, but for whom FEMA's data do not contain additional inspections or assistance records.

³⁷FEMA uses the term "issued" to denote a housing inspection it has authorized for an inspector to assess disaster-related damages to an IHP applicant's residence. According to FEMA officials, some applicants for whom it authorizes housing inspections do not receive an eligibility decision (e.g., eligible or ineligible) for IHP assistance. This is because they do not have disaster-related damages, among other reasons. We have excluded about 12,000 applicants, with non-referred statuses, who have housing inspections records but for whom FEMA did not make eligibility decisions.

Figure 4: Applicants FEMA Referred to Its Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency's (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of referred applicants had missing age, household size, or ownership status data, and 18 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. We have excluded from our analysis about 94,000 applicants referred to the IHP whom FEMA assessed for types of Other Needs Assistance other than personal

property assistance. We have also excluded about 16,000 applicants who FEMA referred to the IHP, but for whom FEMA's data do not contain additional housing inspections or assistance records.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

Housing Inspections Authorized

Our analysis of FEMA's data on the about 1.4 million applicants for whom it authorized housing inspections showed the following:

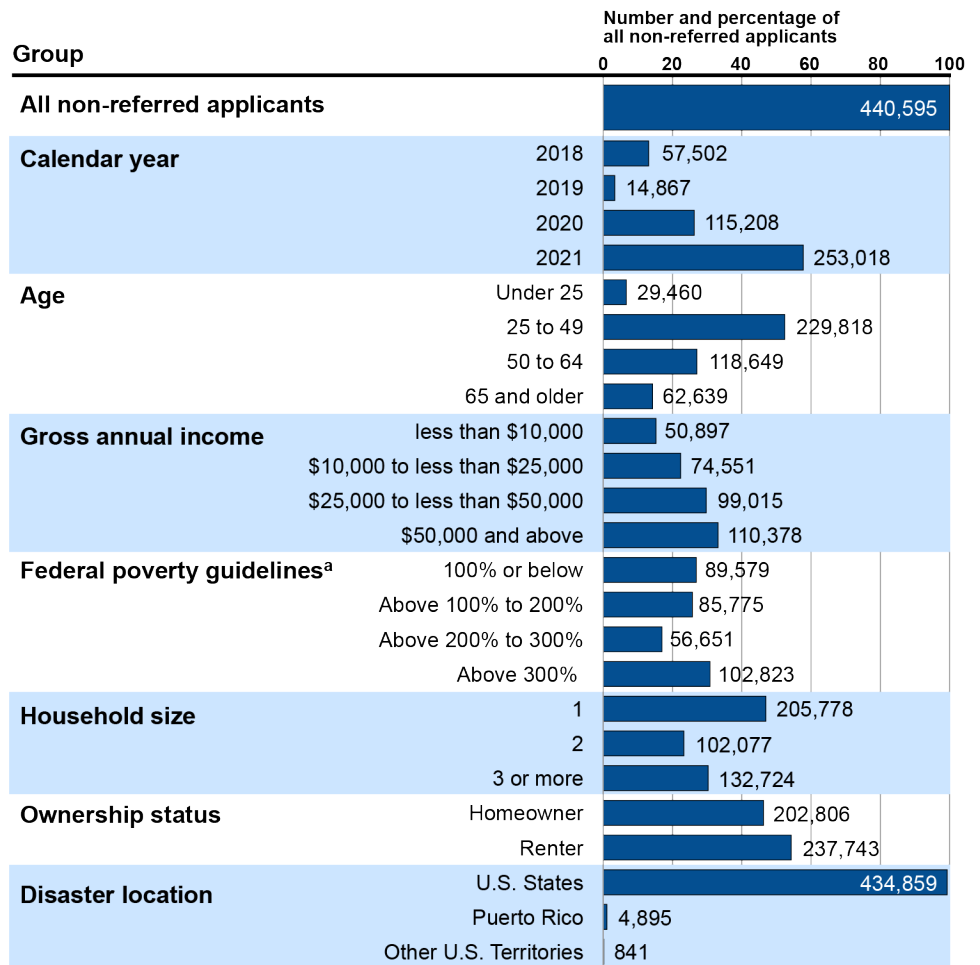
- About 650,000 applicants (48 percent) were between the ages of 25 and 49;
- About 340,000 applicants (31 percent) reported a gross annual income of \$10,000 to less than \$25,000;
- About 540,000 applicants (40 percent) were from households with three or more individuals; and
- About 410,000 applicants (37 percent) lived at or below 100 percent of the federal poverty guideline.³⁸

Based on our analysis of FEMA's data, FEMA did not refer about 440,000 IHP applicants (16 percent) to the program (see figure 5).³⁹ According to FEMA, if a non-referred applicant provides updated information regarding an IHP application, that individual's referral status may be updated based on that information. Further, FEMA stated that it may refer applicants to other programs if they are not eligible for IHP assistance, but indicate that they have an unmet need. Of the non-referred applicants, we found that 54 percent were renters; 52 percent were between the ages of 25 and 49; 33 percent reported a gross annual income of \$50,000 and above; and 31 percent lived above 300 percent of the federal poverty guideline.

³⁸See appendix II for our analysis of IHP applicants for whom FEMA authorized housing inspections and their inspection statuses. We discuss how FEMA reports the status of its authorized inspections later in the report.

³⁹This number includes the roughly 12,000 applicants with non-referred statuses who also have housing inspections records but for whom FEMA did not make eligibility decisions.

Figure 5: Non-referred Applicants for FEMA’s Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

We found that less than 1 percent of non-referred applicants had missing age, household size, or ownership status data, and 24 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of non-referred applicants were from households with 11 or more individuals. We have included about 12,000 applicants with non-referred statuses who have housing inspections records but for whom FEMA did not make eligibility decisions.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of

Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

FEMA Made Eligibility Determinations for Applicants, Who Had Varied Outcomes

According to our analysis of FEMA’s IHP applicant data for major disasters declared from January 1, 2018 through November 1, 2021, the approval rates, amounts of financial assistance awarded, and reasons for eligibility determinations varied. IHP applicants had varying program outcomes—such as approval for assistance—depending on their characteristics, including, gross annual income and household size.

Approved applicants receiving IHP assistance. We found that, of the roughly 2.1 million referred IHP applicants FEMA assessed for financial housing and personal property assistance, the agency deemed that about 710,000 (34 percent) were eligible for assistance (see figure 6).⁴⁰ The median and mean amounts of financial housing and personal property assistance these applicants received were \$2,314 and \$4,157, respectively.⁴¹ The following groups had some of the highest median and mean award amounts, respectively: applicants ages 65 and older (\$2,879 and \$5,250); applicants who reported a gross annual income of \$50,000 and above (\$2,682 and \$4,548); and applicants from households with 3 or more individuals (\$2,892 and \$4,452).

See appendix II for our supplemental analysis on applicants who were approved for assistance and applicants who received financial housing assistance only, personal property assistance only, or a both kinds of assistance. It also includes our analysis of FEMA referred IHP applicants who were not approved for assistance.

⁴⁰FEMA awards financial housing assistance to eligible IHP applicants for lodging expense reimbursement, rent, home repair, and home replacement. FEMA awards personal property assistance to eligible IHP applicants for damage to appliances, clothing, and furniture, among other things. The maximum amount of financial assistance an eligible applicant could receive from fiscal years 2018 through 2022 was \$68,000 (\$34,000 for financial housing assistance plus \$34,000 for Other Needs Assistance), \$69,800 (\$34,900 plus \$34,900), \$71,000 (\$35,500 plus \$35,500), \$72,000 (\$36,000 plus \$36,000), and \$75,800 (\$37,900 plus \$37,900), respectively. However, as specified in the Disaster Recovery Reform Act of 2018, temporary housing assistance, such as rental assistance and lodging expense reimbursement, do not count against program maximums, nor does assistance for repairing or replacing accessibility related real and personal property items. Therefore, some applicants are eligible to receive awards exceeding the combined maximum amounts for housing assistance and Other Needs Assistance.

⁴¹Some IHP applicants were awarded financial housing or personal property assistance only, whereas some were awarded both types of assistance—among other types of Other Needs Assistance, which we excluded from our analysis.

Figure 6: Approved Applicants Receiving Assistance through FEMA’s Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021

		Number of applicants	Total (\$)	Median (\$)	Mean (\$)
All awarded applicants		709,709	2,950,479,695	2,314	4,157
Calendar year	2018	101,455	533,125,696	2,475	5,255
	2019	30,030	195,544,048	2,773	6,512
	2020	131,854	640,953,690	2,651	4,861
	2021	446,370	1,580,856,261	2,153	3,542
Age	Under 25	39,461	122,690,263	1,798	3,109
	25 to 49	361,367	1,327,446,079	2,192	3,673
	50 to 64	194,918	902,090,065	2,596	4,628
	65 and older	113,958	598,245,257	2,879	5,250
Gross annual income	less than \$10,000	117,349	451,445,305	2,262	3,847
	\$10,000 to less than \$25,000	205,109	870,408,172	2,406	4,244
	\$25,000 to less than \$50,000	163,052	663,889,210	2,156	4,072
	\$50,000 and above	131,559	598,328,608	2,682	4,548
Federal poverty guidelines^a	100% or below	256,223	1,055,636,820	2,499	4,120
	Above 100% to 200%	176,397	748,832,878	2,309	4,245
	Above 200% to 300%	78,310	320,243,791	2,069	4,089
	Above 300%	106,139	459,357,805	2,192	4,328
Household size	1	195,535	720,899,578	1,746	3,687
	2	186,938	772,667,070	2,124	4,133
	3 or more	327,236	1,456,913,047	2,892	4,452
Ownership status	Homeowner	358,987	2,085,410,382	3,301	5,809
	Renter	350,416	864,504,002	1,674	2,467
Disaster location	U.S. States	682,005	2,811,569,373	2,314	4,123
	Puerto Rico	14,601	78,254,991	1,782	5,360
	Other U.S. Territories	13,013	60,655,331	2,826	4,629

Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of awarded applicants had missing age or ownership status data, and 13 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of awarded applicants were from households with 11 or more individuals. For some of the IHP applicants, FEMA determined their eligibility for both financial housing and personal property—among other types of other needs assistance, which we excluded from our analysis.

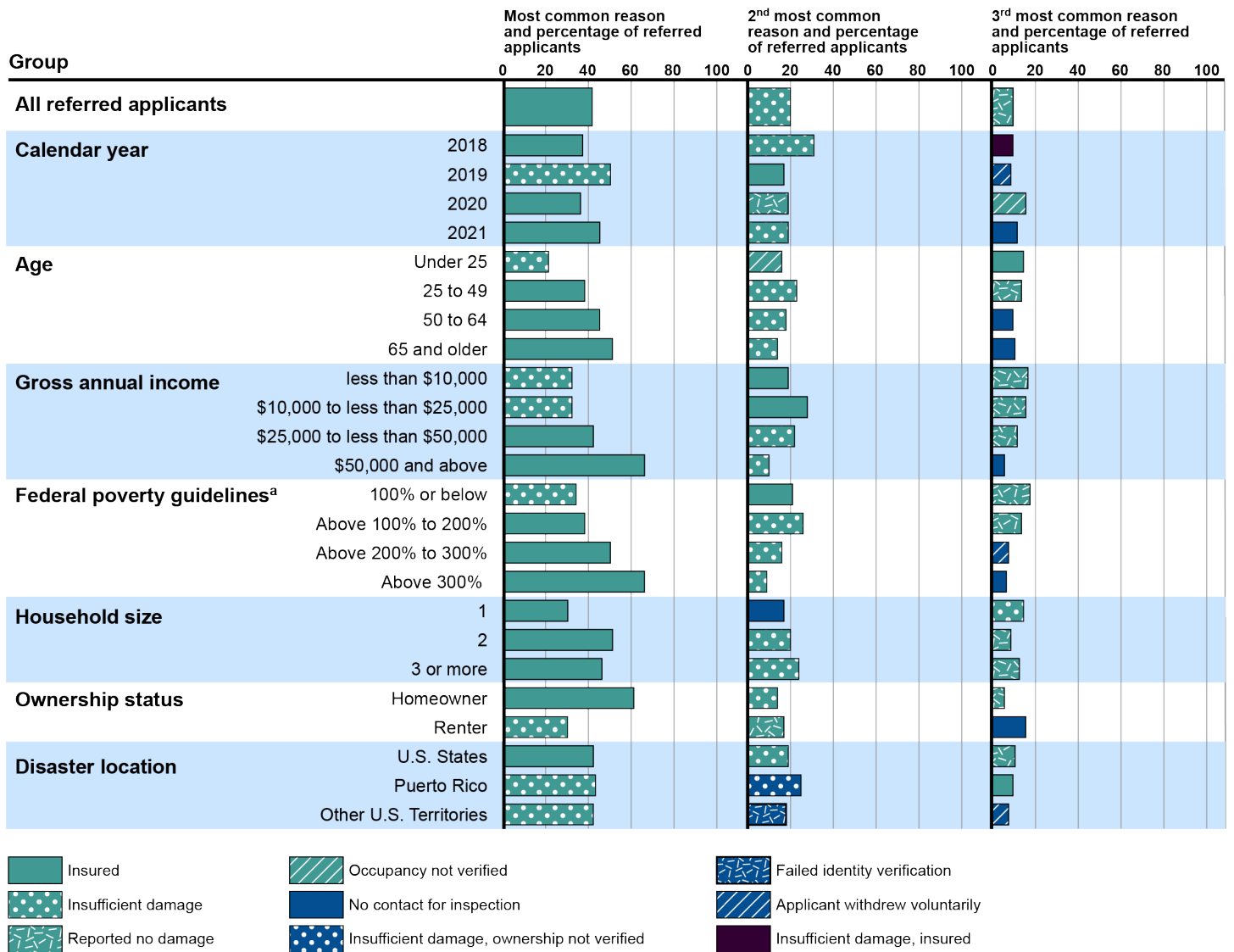
³Federal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

Most common reasons for ineligibility determinations. The two most common reasons FEMA determined referred IHP applicants ineligible for financial housing and personal property assistance were because they had insurance or insufficient damage (see figure 7).⁴² Further, based on our analysis of applicants with ineligible determinations, the most common reason referred IHP applicants under the age of 25 were deemed ineligible for financial housing and personal property assistance was due to insufficient damage. In contrast, the most common reason all applicants who were 25 and older were deemed ineligible was because they had insurance.

Additionally, the most common reason referred IHP applicants who lived at 100 percent or below the federal poverty guideline were deemed ineligible was due to insufficient damage. The most common reason all applicants who lived above 100 percent of the federal poverty guideline were deemed ineligible was because they had insurance.

⁴²See appendix II for our analysis on the most common reasons applicants referred to the IHP were deemed eligible for IHP assistance.

Figure 7: Most Common Reasons FEMA Deemed Referred Applicants Ineligible for Assistance from Its Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency's (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of referred applicants had missing age, household size, or ownership status data, and 20 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. IHP applicants may receive numerous eligibility determinations. Our analysis is based on eligibility determinations for which an applicant did not receive financial housing or personal property assistance.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

FEMA’s Reporting of Applicants’ Housing Inspections Statuses Is Inconsistent and Misleading

FEMA uses the term completed in its reporting to encompass the statuses of both inspections that were conducted, and those that were not conducted for a range of reasons.⁴³ Therefore, it reports applicants’ inspections statuses—based on inspections it authorizes its housing inspectors to conduct and inspections records they return (i.e., uploaded to the National Emergency Management Information System)—as completed. For IHP applicants, FEMA authorizes inspections for its housing inspectors to conduct for various reasons—including initial, corrections, or withdrawn inspections.⁴⁴ According to FEMA officials, FEMA has several reasons why it would not conduct a housing inspection. These reasons include an inspection that was withdrawn by the applicant, no contact from the applicant, applicant missed “2” appointments, and inaccessible applicant residence.

However, while the inspection status for each of the returned completed inspections may vary, FEMA’s reporting does not include additional information about the variations and instead reports all of the inspections as completed. Therefore, the term completed does not clearly indicate whether a returned inspection was actually conducted by a housing inspector. For example, if an IHP applicant misses two scheduled appointments for a housing inspection, the housing inspector would record the individual’s inspection statuses as missed “2” appointments and upload that information into the National Emergency Management Information System.

FEMA would report the missed inspections as two completed inspections to the internal and external stakeholders, once the housing inspector

⁴³For the purposes of this report, we use the term “conducted” to refer to an authorized inspection where the housing inspector assessed damages to an applicant’s primary residence via an in-person, remote, or hybrid inspection.

⁴⁴FEMA authorizes inspections for applicants who withdrew their application, but later decide to proceed with the process.

uploads the applicant's inspection records in the National Emergency Management Information System. Further, in its reporting, FEMA would not indicate that a housing inspector did not actually conduct any in-person, remote, or hybrid inspections. Figure 8 shows the various possible statuses of IHP applicants' housing inspections, all of which FEMA reports as completed.

Figure 8: The Federal Emergency Management Agency (FEMA) Individuals and Households Program (IHP) Applicants' Completed Housing Inspections Statuses



Source: GAO analysis of FEMA documents and interviews with officials. | GAO-23-104750

^aAccording to FEMA, the agency authorizes housing inspections (in-person, remote, or hybrid) for its inspectors to conduct for the Individuals and Households Program (IHP) applicants. The housing inspectors are authorized to conduct the inspections for various reasons, including initial, appeal, contractor correction, FEMA correction, and withdrawn inspections. Once the housing inspector

uploads an applicant's inspection record to the National Emergency Management Information System, FEMA considers this returned inspection as completed. However, the term completed encompasses a housing inspection that was conducted and not conducted for a range of reasons— inaccessible, no contact, missed “2” appointments, and withdrawn.

According to FEMA, the agency completed about 1.6 million housing inspections, which equates to the number of inspections it authorized and were returned by its housing inspectors. As shown in table 1, we found that about 390,000 (24 percent) of those inspections do not have a completed (i.e., conducted) inspection status.

Table 1: FEMA Individuals and Households (IHP) Applicants' Housing Inspections Statuses Reported as Completed, January 1, 2018 through November 1, 2021

IHP Applicant Inspection Statuses	FEMA's Reporting of IHP Inspection Statuses	IHP Applicant Inspection Records
Completed (i.e., conducted)	Completed	1,203,013
Missed 2 appointments	Completed	7,834
Inaccessible	Completed	1
No contact	Completed	172,215
Withdrawn	Completed	205,028
Total		1,588,091

Source: GAO analysis of Federal Emergency Management Agency's (FEMA's) IHP data. | GAO-23-104750

Notes: FEMA provided the Individuals and Households Program (IHP) applicant data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021. As such, our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021. FEMA uses the term completed to encompass the statuses of both inspections that were conducted, and those that were not conducted for a range of reasons. Reasons why FEMA may not necessarily conduct a housing inspection include an inspection that was withdrawn by applicant, no contact from applicant, applicant missed “2” appointments, and inaccessible applicant residence.

As previously stated, FEMA authorized housing inspections for about 1.4 million IHP applicants. Based on our analysis, about 300,000 of those applicants (21 percent) did not have a record of an inspection being conducted, which indicates that FEMA did not conduct a housing inspection for various reasons, such as the applicant missed “2” appointments.

According to a FEMA official, the agency reports on all inspections as completed as a way to indicate that it has addressed all of the inspections authorized for all IHP applicants. Further, the official stated that FEMA's definition and reporting of completed housing inspections depends on the stakeholder who is requesting the data.

Reporting all housing inspections statuses as completed can be misleading, and also does not provide meaningful information about inspection statuses—information which FEMA already maintains in the National Emergency Management Information System. For example, according to FEMA regional officials, the agency disseminates daily status reports to its regions, joint field offices, and state leaders. These reports include data on IHP housing inspections statuses, including the percentage of complete inspections, but do not detail whether the inspections were actually conducted (see figure 9).

Figure 9: Example of FEMA Individual Assistance (IA) Daily Status Report, May 2021

Inspection Services (IS)	
	Cumulative
Inspections Issued ^a	2,717
Returned to FEMA	2,717
Outstanding	0
% Complete	100.00%
Inspectors in the Field	0

Source: GAO excerpt from a Federal Emergency Management Agency (FEMA) IA Daily Status Report. | GAO-23-104750

^aFEMA uses the term “issued” to denote a housing inspection it has authorized for an inspector to assess disaster-related damages to an IHP applicant’s residence.

A recent example that reflects FEMA’s misleading reporting of applicants’ housing inspection statuses is the June 2021 letter it sent to a congressional committee regarding the August 2020 Iowa severe storms. In the letter, FEMA reported that it conducted “7,300 home inspections” for that disaster (see figure 10). However, based on our analysis of FEMA’s IHP data for that Iowa disaster, the 7,300 home inspections represented the number of inspections it authorized and were returned by housing inspectors for roughly 6,900 applicants and not the number of conducted inspections, as stated in the letter. Of the 7,300 housing inspections that FEMA said it conducted, FEMA did not conduct housing inspections for about 1,000 applicants because those applicants either withdrew their IHP applications or a housing inspector was unable to contact them.

Figure 10: Excerpt from FEMA Letter to a Congressional Committee, June 2021

It is important to address, within proper context, the letter specifically referencing media reports for a recent Iowa disaster which stated 22,000 disaster applications were submitted, and 19,000 of those applicants were found ineligible. The 22,000 figure includes various unqualified applicants, e.g., businesses that were never eligible through FEMA’s IHP and those who withdrew or did not have their damages verified. Researching this specific disaster provides data that of the 7,300 home inspections conducted, 3,100 survivors were found eligible for assistance – a 42% ineligibility rate for those who met the criteria for assistance opposed to a purported 86% overall ineligibility rate.

Source: Federal Emergency Management Agency (FEMA) Letter to Congressional Committee, June 2021. | GAO-23-104750

Standards for Internal Control in the Federal Government advises management to use quality information to achieve the entity’s objectives.⁴⁵ This involves processing data into information and then evaluating the processed information so that it is quality information. Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis. FEMA’s *2022-2026 Strategic Plan* states that addressing disparities requires that FEMA first understand where they exist. The strategic plan states that FEMA “must routinely evaluate its programs and policies for disparities in outcomes,” which begins with deliberately defining what success looks like for the user of each program in a manner that can be consistently measured.⁴⁶

FEMA housing inspections are intended to help the agency verify damages and losses caused by a disaster and determine the available assistance options for the applicant. By developing and implementing a policy to consistently report on IHP applicants’ housing inspections statuses, FEMA could ensure that internal and external stakeholders

⁴⁵GAO, *Standards for Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁴⁶FEMA, *2022-2026 FEMA Strategic Plan* (Washington, D.C.: Dec. 16, 2021).

have the information needed to assist applicants and understand FEMA's progress in conducting inspections it authorized for applicants.

Opportunities Exist for FEMA to Improve Its Recording of IHP Applicant Data

FEMA's National Management Emergency Information System includes a data field for FEMA to record IHP applicant eligibility decisions. Further, the system has numerous eligibility and status codes for each type of assistance for which the applicant is being considered (e.g., rental assistance and personal property assistance). Based on our analysis, we found opportunities for FEMA to improve its recording of these eligibility and status codes, which would make it less challenging to use the data to identify and analyze trends, such as the most common reasons for ineligibility decisions.

FEMA's data on IHP applicants, from January 1, 2018 through November 1, 2021, contain 475 combinations of eligibility and status codes—some of which are duplicative—for IHP applicants the agency assessed for assistance. For example, according to FEMA officials, FEMA uses two different eligibility status codes, "Applicant Withdrew Voluntarily (WVO)" and "Voluntary by Applicant (WVOA)" to denote the same outcome—applicants who voluntarily withdrew from the IHP. FEMA officials stated that its staff or housing inspectors also sometimes use the two codes to document a range of eligibility decisions—for example, using the same codes when an IHP applicant did not meet with a housing inspector in a timely manner; and when the housing inspector was unable to contact the applicant after the initial contact. Additionally, FEMA did not include the term "eligible" or "ineligible" in the data field description for 25 eligibility decision codes, making it difficult to determine the outcome of an applicant's eligibility determination. FEMA officials also said the IHP applicant data contain two codes that are no longer in use.

The National Emergency Management Information System also does not distinguish between an applicant's eligibility code and a code that reflects an applicant's status. For example, the eligibility decisions field for some applicants includes the code "Ineligible Reported No Damage (IRND)," but FEMA officials stated that this code is a status, rather than a determination of ineligibility for IHP applicants who self-reported minimal damage. In other words, the code does not reflect the final eligibility determination but rather that an applicant cannot receive assistance until the code is addressed.

According to FEMA officials, the agency used the IRND code for all major disasters declared from March 2020 through July 2021—to denote applicants who met FEMA's standard criteria to receive an inspection—

but did not receive an automatic inspection because they self-reported minimal damage that allowed them to live in the home. Officials also stated that, the eligibility decision field contains several status codes, which indicate that an applicant cannot receive certain assistance until the codes are addressed, so FEMA can still use the data to identify which applicants have received assistance. However, the lack of standardization in distinguishing between an IHP applicant eligibility decision and status restricts the usefulness of the data in identifying trends.

FEMA's strategic objectives for 2018-2022 include improving data analytics related to grants management, inclusive of IHP assistance.⁴⁷ FEMA stated that it requires consistent, reliable, and high-quality data analytics to inform decision-making and risk management, in order to use data-driven approaches to identify and address agency-wide inefficiencies and risks in grants program delivery.

FEMA does not have a process to improve its recording of eligibility decision codes. According to FEMA officials, the agency reviews eligibility codes when implementing policy changes. However, officials said this was typically limited to the eligibility codes related to the form of assistance pertaining to the policy change. Officials also stated that it is very rare for the agency to discontinue providing specific types of assistance without a legislative or regulatory change, so these codes do not frequently change, but FEMA often retains infrequently used codes to account for specific disaster scenarios. Assessing its IHP applicant data to identify and implement ways to improve its recording of eligibility and status codes could enable FEMA to enhance the usefulness of the data, and better track and analyze trends in IHP applicant outcomes.

⁴⁷FEMA, *2018-2022 FEMA Strategic Plan* (Washington, D.C.: Mar. 15, 2018). For the purposes of this report, we are using FEMA's *2018-2022 FEMA Strategic Plan* as it is within the time period of our review. In December 2021, FEMA released its *2022-2026 FEMA Strategic Plan*, which also discusses the agency's efforts related to data.

FEMA Has Taken Actions Intended to Improve Its Housing Inspections Process, but Has Not Evaluated Their Effects

FEMA Has Streamlined Its Housing Inspections Process

Since 2018, FEMA has taken actions to improve and streamline the housing inspections process, such as implementing new processes for conducting housing inspections and determining IHP awards. In 2020, FEMA implemented two interim policies that changed its overall approach to conducting inspections: (1) a remote inspection policy for use in a pandemic environment, and (2) a streamlined policy for use when it has insufficient resources to meet disasters' inspection needs.⁴⁸ Figure 11 shows an overview of the extent of changes that FEMA made to the housing inspections process since 2018.

FEMA officials told us that prior to these policies, FEMA housing inspectors generally verified damaged homes in person, recording around 200 line items (such as feet of damaged drywall and number of broken windows). Under the remote inspection policy, inspectors instead conducted inspections via telephone or videoconference. This involved asking questions from a guided script to assess damages and estimate the overall level of damage to the entire home (known as the “damage level” approach) rather than recording line items.⁴⁹ Additionally, both the streamlined and remote policies eliminated inspections for certain categories of applications.

In 2021, FEMA housing inspectors began conducting “hybrid” inspections that combined elements of onsite and remote inspections. Housing

⁴⁸FEMA, *FEMA Recovery Policy FP 104-009-15: Streamlined Inspection Process Individuals and Households Program Policy (Interim)* (Washington, D.C.: Mar. 17, 2020) and FEMA, *FEMA Policy FP 104-009-17: Pandemic Remote Inspection Process, Individuals and Households Program Policy (Interim)* (Washington, D.C.: Mar. 20, 2020).

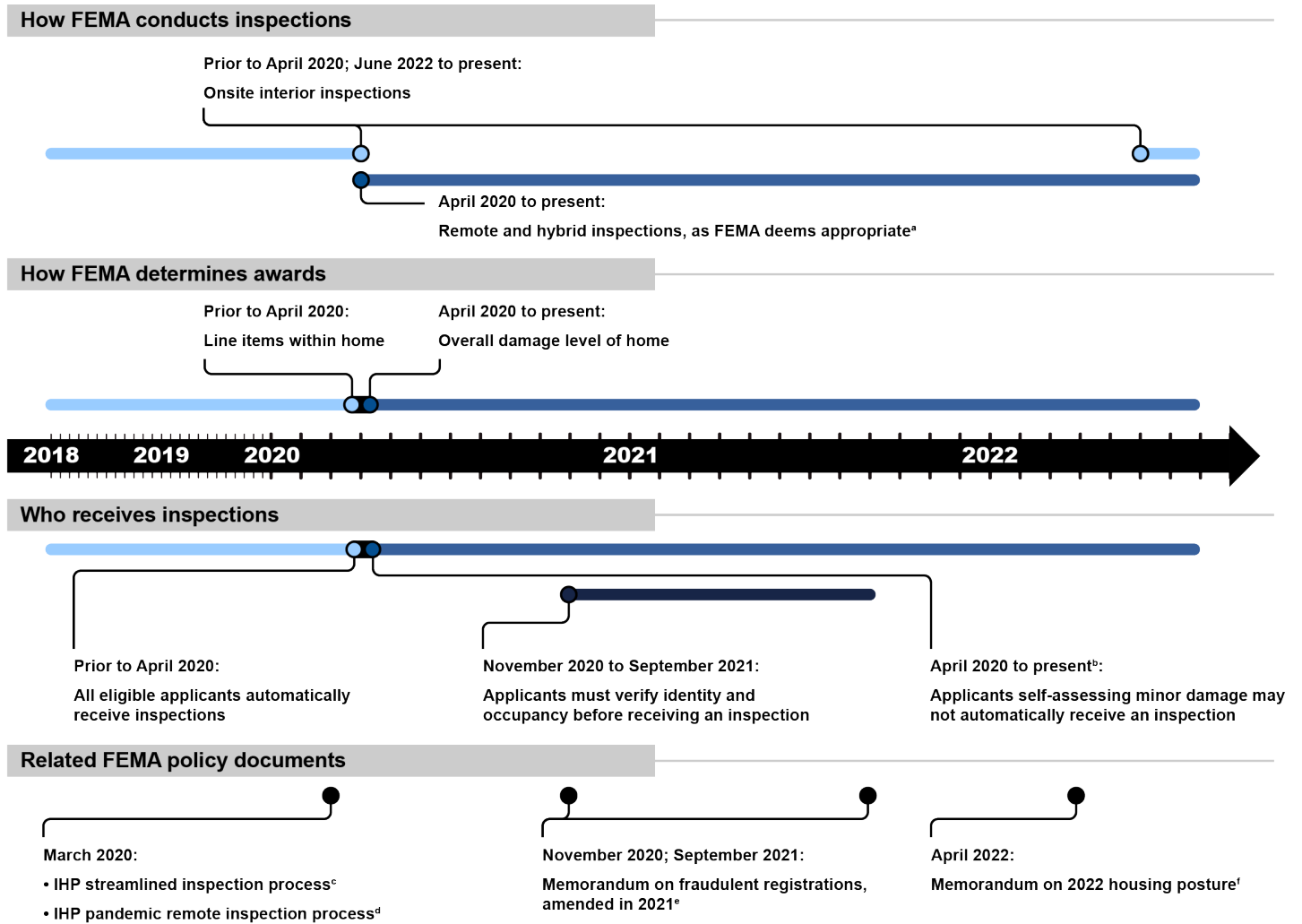
⁴⁹See appendix III for a description of the sample questions from the guided script housing inspectors use to assess damages in the remote inspection process.

inspectors met with applicants outside of their homes and conducted the inspection as they might over the phone, while viewing any damages visible from the exterior.

In April 2022, FEMA reported that it will return to in-home (i.e., in-person) inspections as the standard method of conducting inspections beginning in June 2022, using the damage level approach.⁵⁰ FEMA stated that due to COVID-19 concerns, applicants may opt out of in-home inspections and elect for a hybrid inspection instead. FEMA stated that it may return to conducting remote inspections as needed for reasons of scalability and timeliness.

⁵⁰FEMA, *Memorandum: 2022 Housing Inspections Posture* (Washington, D.C.: Apr. 25, 2022).

Figure 11: Changes to FEMA Individuals and Households Program (IHP) Housing Inspections since 2018



Source: GAO analysis of Federal Emergency Management Agency (FEMA) information. | GAO-23-104750

^aFEMA’s remote and hybrid inspections were the primary methods of inspection since the COVID-19 pandemic.

^bFrom April 2020 to September 2021, FEMA did not automatically authorize inspections for applicants who self-assessed during registration that their homes had received minor damage. FEMA IA officials told us that FEMA resumed automatically authorizing inspections for these applicants in September 2021, but that it may use self-assessments to authorize inspections as FEMA deems it necessary in the future.

^cFEMA, *FEMA Recovery Policy FP 104-009-15: Streamlined Inspection Process Individuals and Households Program Policy (Interim)* (Washington, D.C.: Mar. 17, 2020).

^dFEMA, *FEMA Policy FP 104-009-17: Pandemic Remote Inspection Process, Individuals and Households Program Policy (Interim)* (Washington, D.C.: Mar. 20, 2020).

^oFEMA, *Identifying and Processing Potentially Fraudulent Registrations* (Washington, D.C.: Nov. 16, 2020), and FEMA, *Amendment to the Identifying and Processing Potentially Fraudulent Registrations Memorandum* (Washington, D.C.: Sept. 2, 2021).

^fFEMA, *Memorandum: 2022 Housing Inspections Posture* (Washington, D.C.: Apr. 25, 2022).

FEMA Has Not Assessed the Effect of Policy Changes Related to Streamlined and Remote IHP Housing Inspections Processes

FEMA Has Not Assessed the Accuracy of Its Damage Level Approach

FEMA's Damage Level Approach for Individuals and Households Program Housing Inspections

Since 2020, FEMA has used a “damage level” approach to assess disaster-related property damages to a home and the corresponding award to the applicant.

Under this approach, inspectors are to assess key indicators such as how high flood waters rose in the home, or how much of the roof was damaged by wind. Based on these indicators, inspectors are to select a damage level from moderate to destroyed.

Based on a home's damage level, FEMA makes assumptions about specific repairs needed to the home, such as feet of drywall to be replaced. FEMA also considers the home type (e.g. house, apartment, mobile home). According to FEMA, assumptions underlying the approach are based on a sample of inspections it conducted in the past. FEMA then prices the assumed damages at present day costs to determine the applicant's award amount.

Source: Federal Emergency Management Agency (FEMA). | GAO-23-104750

As described earlier, in April 2020, FEMA housing inspectors began using what FEMA calls a “damage level” approach. According to FEMA officials, this approach allows inspectors to assess an overall damage level rather than recording hundreds of line items (see sidebar for more information on the approach and the scale of damage levels FEMA used). FEMA HIS officials stated that they have found inconsistency in how different inspectors record line items, and one purpose of the damage level approach is to be more consistent in how assistance is awarded.

In its new approach, FEMA housing inspectors assess the home's overall damage level based on key indicators like how high flood water rose within the home. FEMA officials told us that FEMA translates each damage level into an award package using assumptions about how much real damage may have occurred at that level. For example, FEMA assumes that a house flooded by 2 to 4 feet of water would need 1,248 square feet of drywall replaced. FEMA made these assumptions based on average damages it assessed during past inspections from 2012 to 2017. For example, the damage level awards for wind are based on 1.94 million inspections across 21 disasters, while the damage levels for earthquakes were based on 14,250 inspections across 2 disasters.⁵¹

According to FEMA officials, FEMA piloted using damage levels to determine awards in Georgia and Florida in 2017. In March 2018, FEMA convened a working group to analyze and develop recommendations based on the pilot. The 2018 working group presented a number of recommendations to FEMA in August of that year. For example, the

⁵¹Under both line item and damage level approaches, eligible personal property losses are also recorded and included within the award amount. For both approaches, FEMA uses present day pricing for real and personal property damages.

working group developed a performance evaluation plan to test the viability and risks associated with the damage level approach and other proposals, and to examine the impact on performance measures. The working group recommended that FEMA compare damage level awards to line item awards to determine if the differences are reasonable. It also recommended that when comparing award types, FEMA include as many different disaster events as possible, given the high variability of disasters. The working group also identified the risk in assuming that past inspections form an accurate basis for future awards. Finally, it identified that high variability and complexity of disasters makes generalization of pilot results difficult.

According to FEMA officials, the agency did not move forward with using damage levels in 2018 due to a lack of support across FEMA offices for changing the agency's approach to determining IHP awards. However, in March 2020, FEMA revisited and implemented the approach as a streamlined way to determine awards during the remote inspection process necessitated by the COVID-19 pandemic. FEMA updated the approach to account for the remote inspection context, as the original approach piloted in 2017 was used for in-person inspections. The current damage level approach incorporates some, but not all, of the 2018 working group's recommendations. For example, FEMA implemented the working group's recommendation to include additional damage levels to reduce the severity of gaps between each level. However, FEMA officials told us that FEMA has not implemented the performance evaluation plan originally recommended by the 2018 working group.

FEMA HIS officials told us they evaluated the current damage level approach in May 2020 by conducting some exterior validations using photos of homes that had received damage level assessments. According to FEMA, a FEMA official reviewed approximately 21 homes to determine whether the exterior view of the home appeared to validate the inspector's assessment. The reviewer concurred with the inspectors' damage level assessment in seven instances, did not concur in three instances, and in 11 instances was inconclusive or made no determination, for example because the photos did not fully show the home. The reviewer concluded that the damage levels, based on what was visible from exterior photos, fell within a range of 1 or 2 levels from the level determined by the inspector based on the applicant's responses during the remote inspection. The reviewer concluded that the process generally seemed to be working. Based on documentation FEMA provided in response to a wind disaster for a homeowner, a difference in one damage level would result in an award difference of at least \$2,400

(for a difference between Level 1 and 2) and at most \$11,700 (for a difference between level 4 and 5).

FEMA HIS officials acknowledged the limitations of this evaluation, in that the reviewer had limited ability to view actual damages and was unable to conduct side-by-side comparisons. Officials also stated that in some cases, FEMA had adjusted the approach in response to feedback from the field. For example, FEMA adjusted how HVAC damages were recorded based on feedback from applicants. According to FEMA, it did not conduct other assessments of the damage level approach due to the constraints of the COVID-19 pandemic.

Notwithstanding FEMA's evaluation, we found that the mean IHP award amount decreased after FEMA began using damage levels. Based on our analysis of FEMA IHP data, an applicant who received an IHP award had a mean award amount of \$5,354 under the line item approach, while the mean was \$3,504 under the damage level approach, a 35 percent decrease. As to applicants who only received housing assistance and no other type of award, the mean award amount was \$4,964 under the line item approach and \$3,935 under the damage level approach, a 21 percent decrease.

In April 2022, FEMA issued an internal memorandum stating that it would study the damage level awards during the 2022 hurricane season, which typically occurs from June to November, and determine potential improvements that could be made to the approach. However, the memorandum did not include information on what this study would involve nor a time frame for when those changes would be implemented.

Office of Management and Budget guidance states that agencies should plan and anticipate the need for evaluation during program design at the outset of program implementation and when considering program changes and adjustments.⁵² It states that it is necessary for agencies to understand the context in which a program does or does not work, how effectiveness varies across communities or populations, and the aspects that may contribute to, or limit, effectiveness. The Office's guidance also states that agencies should develop a detailed plan describing an evaluation's proposed design, methods, and reporting, along with

⁵²Office of Management and Budget, *Evidence-Based Policymaking: Learning Agenda and Annual Evaluation Plans*, Memorandum M-21-27 (Washington, D.C.: June 30, 2021).

timelines for implementation.⁵³ Further, FEMA’s strategic objectives for 2018-2022 include improving data analytics related to grants management, inclusive of IHP assistance.⁵⁴ Its strategic plan stated that it requires consistent, reliable, and high-quality data analytics to inform decision-making and risk management. It further stated that data analytics will help FEMA to identify and address agency-wide inefficiencies and risks in grants program delivery.

Assessing the accuracy of its damage level approach could help FEMA understand its appropriateness and reliability for assessing damages, and enable FEMA to make adjustments as needed. Steps for assessing the approach’s accuracy could include conducting sensitivity analyses of its assumptions and underlying data to ensure they form a reliable basis for future awards or analyzing trends in award amounts between line item and damage level assessments.

FEMA Has Not Ensured that Applicant Self-Assessments Are a Reliable Indicator of IHP Eligibility

In its IHP application, FEMA includes a self-assessment question that prompts applicants to report the level of damage to their home—ranging from “minor damage” to “completely destroyed.” (See sidebar for a description of the self-assessment question in the IHP application, which asks applicants to report the level of damages incurred to their homes.) In March 2020, FEMA issued an interim inspection process IHP policy stating that applicants who self-reported that they incurred only minor damages to their homes will not automatically receive a housing inspection.⁵⁵ FEMA instructed those applicants to contact the agency if they noted additional damages, and otherwise, sent them a denial letter. The policy’s stated purpose is to reduce the number of required inspections and deliver needed assistance to survivors with the greatest needs first.⁵⁶

⁵³Office of Management and Budget, *Phase 4 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Program Evaluation Standards and Practices* (Washington, D.C.: Mar. 10, 2021).

⁵⁴FEMA, *2018-2022 FEMA Strategic Plan* (Washington, D.C.: Mar. 15, 2018).

⁵⁵FEMA, *Interim Streamlined Inspection Process IHP Policy* (Washington, D.C.: Mar. 17, 2020). Applicants who do not receive an inspection cannot receive home repair assistance, though they may be granted other kinds of assistance such as dental or medical.

⁵⁶FEMA first added the self-assessment question to the IHP applications in 2018. At that time, FEMA used the self-assessment responses to help prioritize the order in which it conducted inspections so that it could assist applicants with the greatest needs first, according to FEMA HIS officials.

IHP Applicant Self-Assessment of Damages to Home

In 2018, FEMA added a self-assessment question to its application for Individuals and Households Program (IHP) assistance, as follows: *You indicated that your home or personal property was damaged. FEMA would like to understand the damage the disaster caused. Please read each option and select the one that best matches your situation.*

- 1. I had minor damage but I am able to live in my home.*
- 2. I had damage to my home or personal property that requires a lot of repairs. I may not be able to live in my home.*
- 3. I had damage to my home or personal property that requires major repairs. I am not able to live in my home.*
- 4. My home was completely destroyed.*
- 5. Unknown.*

Source: Federal Emergency Management Agency (FEMA). | GAO-23-104750

The March 2020 self-assessment policy states that FEMA will implement the policy for disasters in which it lacks sufficient resources to conduct all of the inspections for a given disaster. FEMA implemented the policy during all major disasters declared from April 2020 to August 2021. In September 2021, FEMA officials told us the agency had stopped using self-assessments to authorize housing inspections for applicants impacted by recent disasters, to allow more applicants access to the program. However, the officials stated that FEMA could resume using self-assessments to authorize housing inspections for applicants impacted by future disasters at their discretion. FEMA officials stated that the agency may continue to use self-assessments in the future because they believed self-assessments were a reliable indicator of damages for use in managing applications.

However, FEMA has not ensured that the self-assessments are a reliable indicator of program eligibility. FEMA's data analysis and our interviews and observations do not support that applicant self-assessments reliably reflect eligibility for assistance, although they may help predict the severity of damage to a home. Officials from FEMA's Recovery Reporting Analytics Division told us that of all applicants that self-assessed minor damage in disasters declared from January 1, 2018 through November 1, 2021, FEMA found that about 43 percent had eligible damages. It is likely that the actual percentage of these applicants with eligible damages was higher, as FEMA did not conduct inspections to verify the damages for all applicants self-assessing minor damage from April 2020 through August 2021. FEMA's policy affected a significant percentage of IHP applicants who may have been eligible for assistance. Based on our analysis of FEMA's data, we found that minor damage was the most common self-assessment response among applicants. Out of roughly 2.1 million IHP applicants referred to the program, about 41 percent self-assessed minor damage.

Furthermore, we spoke with representatives from five non-governmental organizations supporting applicants in different states. They told us that applicants can find it challenging to accurately describe their own damages or advocate for themselves during the IHP application process. They further stated that this is particularly true for applicants from vulnerable populations, such as people who are elderly or who do not speak English fluently.

Additionally, our observations of selected virtual and onsite FEMA housing inspections in Louisiana and Michigan in July 2021 showed that some applicants find it challenging to accurately describe their homes'

damages or habitability. For example, we observed instances in which applicants struggled to respond to the inspector’s question about habitability, or described their home as habitable despite what appeared to be extensive damages.

In February 2022, FEMA released an *Equity Action Plan* that stated it would authorize inspections for all IHP referrals in order to increase eligibility for assistance.⁵⁷ An objective of FEMA’s IA Strategic Plan for 2020-2024 is to streamline programs to ensure the best possible service for applicants.⁵⁸ Additionally, *The Standard for Program Management* states that attention should be paid to the accuracy of program information, among other things, to avoid errors and incorrect decisions.⁵⁹ Further, *Standards for Internal Control in the Federal Government* state that management should use quality information that is appropriate, accurate, and from reliable data, among other things, to achieve the entity’s objectives.⁶⁰

Given that FEMA continues to collect self-assessment information from applicants and may resume using the information to assign inspections in the future, taking steps to ensure its policies on the use of self-assessments are supported by evidence could help ensure FEMA can accurately identify eligibility for assistance. Such steps would include assessing the reliability of self-assessment responses.

FEMA Has Not Assessed Remote Inspection Fraud Risks or Developed a Strategy for Mitigating Them

FEMA has identified an increase in potential IHP fraud since 2017, and in particular, since it implemented the remote inspection process in 2020.⁶¹ While FEMA has taken some fraud mitigation steps, FEMA officials told us the agency has not assessed the fraud risks introduced by the remote housing inspection process or developed strategic actions to mitigate them. According to FEMA, the agency historically used housing

⁵⁷FEMA, *Equity Action Plan* (Washington, D.C.: Feb. 23, 2022).

⁵⁸FEMA, *IA Strategic Plan 2020-2024* (Washington, D.C.: Aug. 2020).

⁵⁹Project Management Institute, Inc., *The Standard for Program Management – Fourth Edition* (2017). The Project Management Institute is a not-for-profit association that, among other things, provides standards for managing various aspects of projects, programs, and portfolios.

⁶⁰[GAO-14-704G](#).

⁶¹FEMA, *Identifying and Processing Potentially Fraudulent Registrations* (Washington, D.C.: Nov. 16, 2020).

inspections to verify potentially fraudulent registrations by having inspectors meet applicants at the damaged property to confirm their identity and the damages in person. However, under the remote inspection process, inspectors no longer meet with applicants onsite to verify damages.

Of the 23 FEMA housing inspectors we interviewed, 17 stated that fraud has likely increased since 2020, especially in the context of remote inspections, and that this presents a challenge for conducting housing inspections.⁶² In its October 2020 year-end report, WSP, one of the housing inspections contractors, reported that potential fraudulent IHP applications have become more prevalent during the pandemic. FEMA HIS officials we interviewed also noted an increase in identity theft fraud through the remote and hybrid processes. Officials from one of FEMA's housing inspection contractors stated that increased registration fraud can result in waste and a delay in assistance to applicants.

FEMA HIS officials told us that under the remote inspection process, FEMA relies on the inspector to decide the degree to which they think the applicant is accurately describing their damages. An applicant might inaccurately describe damages either on purpose, or by mistake. Additionally, 17 of 23 FEMA housing inspectors we interviewed told us it is challenging to assess damages during remote and hybrid inspections. For example, one inspector said she feels that she is qualified to inspect the damage that has occurred to a home, but that it is challenging and outside of her area of expertise to be tasked with deciding whether to believe an applicant.

FEMA has taken some ad hoc steps related to fraud mitigation. For example, to address potential misrepresentations of identity or occupancy under the remote process, among other things, FEMA issued a memorandum in November 2020 with a new requirement that all IHP applicants verify their identities and occupancies before they would

⁶²In December 2021, we conducted three discussion groups with 23 FEMA IHP housing inspectors consisting of 8 FEMA in-house inspectors, 9 WSP contracted housing inspectors, and 6 Vanguard contracted housing inspectors, respectively. The purpose of the group discussions was to obtain the perspectives of the housing inspectors on FEMA's IHP housing inspections including training, guidance, inspection process, and challenges. These housing inspectors were randomly selected based on the number of inspections conducted for major disaster declared from January 1, 2018 through November 1, 2021, types of FEMA IHP housing inspections completed (in-person, remote, and hybrid), FEMA IHP housing inspector's years of experience, and geographic location and disaster type.

receive a housing inspection.⁶³ The stated purpose of the memorandum was to combat increased fraudulent trends identified since 2017, including an increase in fraud FEMA identified since implementing the Remote Inspection Process.

In September 2021, however, FEMA rescinded the new requirement, allowing applicants to verify their identities during the inspection, rather than in advance. According to FEMA, the rationale behind this rescission was to improve access to IHP funding for low-income applicants that might have a more difficult time proving identity or occupancy during registration. However, FEMA has not identified how it will address risks of fraudulent registrations in place of the former policy.

FEMA's November 2020 memorandum also introduced a new control by which inspectors could flag applications for suspected fraud following an inspection, in which case an application would undergo further review by program officials. Inspectors can flag an application as "possible not primary residence" or "possible identity theft." The memorandum also states that FEMA will identify trends in registration activity that may indicate fraud and implement processes to mitigate the concerns and protect taxpayer funds by ensuring they are only provided to legitimate applicants.

In May 2018, the DHS Homeland Security Systems Engineering and Development Institute developed a fraud risk profile for FEMA's Individual Assistance Program. Among the top fraud risks the profile identified were verifying applicant identities, ensuring damages were eligible for an award, and ensuring awards were not overpaid. The profile identified that these risks are driven by forged identity documents and an inability to inspect, among other things. The Institute recommended that FEMA use the profile to inform decisions about implementing controls to mitigate the identified risks, and that the profile be updated as new risks emerge. According to FEMA IA officials, the Fraud Risk Profile has not been updated since 2018.

While FEMA has made efforts related to addressing fraud, including periodic changes to policy, its approach has not been a strategic one. For example, FEMA has not assessed the various potential new fraud risks that have been introduced by the remote inspection process and by

⁶³FEMA, *Identifying and Processing Potentially Fraudulent Registrations* (Washington, D.C.: Nov. 16, 2020).

subsequent policy changes, nor developed a strategy for mitigating them. In May 2022, FEMA officials told us that they have hired a fraud expert contractor to assess potential fraud risks related to IA and provide recommendations, but have not provided further detail, such as a time frame or scope, for that effort.

Our Fraud Risk Framework contains leading practices for planning and conducting fraud risk assessments.⁶⁴ Among these are that agencies conduct fraud risk assessments at regular intervals and when there are changes to the program or operating environment. A key element in the fraud risk assessment process is to examine the suitability of existing fraud controls. Where possible, agencies should focus on fraud prevention over detection and response, to avoid the “pay-and-chase” practice of detecting fraudulent transactions and attempting to recover funds after payments have been made.

FEMA HIS officials told us that they have not conducted any analysis to assess what risks may be presented by the remote or hybrid housing inspections, and how best to address them through fraud controls as they believed the fraud risks would be resolved when onsite inspections could resume. Officials stated that FEMA produces weekly reports on inspector reporting of potential fraud, and it put some fraud reduction measures in place—for example, requiring hybrid inspections for applicants reporting higher tiers of damages.

FEMA HIS officials told us that FEMA transitioned from remote inspections to hybrid inspections in part because meeting face-to-face with an inspector can dissuade potential fraud. However, FEMA also has not assessed the degree to which the hybrid inspections present an increased risk of fraud compared to traditional interior inspections. FEMA stated that it will return to in-home inspections in June 2022, but that applicants will be able to opt for hybrid inspections and that FEMA may return to remote inspections at its discretion.

Developing and implementing a strategy for assessing and mitigating fraud risks presented by the remote inspections policy could help FEMA balance its priority to increase access while also ensuring efficient and appropriate use of resources.

⁶⁴[GAO-15-593SP](#).

FEMA Faced Technology and Communication Challenges in Conducting Housing Inspections

FEMA and Its Contractors Reported Technology- Related Challenges in Housing Inspections

In light of a recent change in FEMA's cybersecurity policy, FEMA HIS officials, FEMA's contracting officers, and contractor management officials we spoke with reported facing challenges in leveraging technologies to conduct their inspections. According to FEMA IHP officials, DHS suffered a data security breach in 2019, and protecting personally identifiable information and maintaining data security became their priority. As a result, in 2019, FEMA modified its housing inspections policy to restrict contractors from using software tools. The contractors had been using these tools for at least 9 years to conduct and manage data related to housing inspections, citing cybersecurity issues.

According to both FEMA and contractor officials, the modified policy has created various inefficiencies in the housing inspection process. For example, prior to the restrictions, contractors were able to use their data systems to provide inspectors with the routes to applicant addresses and track the location of inspectors in the field. They were also able to use their systems to conduct automated edit checks (i.e., corrections of editorial or common errors) of the inspections and trend analyses of their inspections.

However, since the 2019 restrictions, contractors told us they are no longer able to track the location of inspectors in the field and they have to manually map out each inspection location using Google Maps, which they stated is time-consuming and inadequate. In addition, the contractors now need to conduct all edit checks manually. For example, if an inspection had an incorrect assessment of a heating system, contractors' data systems would have automatically red-flagged and edit-checked it. Now, contractors have to manually check and clear inspection records before they are submitted to FEMA. According to one contractor we spoke with, it now takes about 35 staff to review 100 inspectors' work, whereas previously it took 10 staff.

FEMA IHP officials we interviewed also stated that, since the modified policy, they had faced backlogs of inspections each day in need of manual edit checks of inspections conducted by the housing inspectors. They added that such backlogs delay the process for determining and providing assistance to applicants. Officials further said that, due to the modified policy, FEMA had to remove automated software it used to automatically validate inspectors' home inspections. Additionally, FEMA HIS officials stated that while FEMA previously collected and maintained data on customer service (i.e., applicant satisfaction with the IHP process, including inspectors' performance) trends, it was no longer allowed to maintain such data. FEMA HIS officials indicated that these data are needed to assess and improve the IHP housing inspections.

To address these above inefficiencies, FEMA HIS officials told us that in March 2021 they created a mission needs statement related to providing alternatives to contractors to access housing inspections data. In developing the mission needs statement, FEMA HIS officials stated that they coordinated with DHS-FEMA stakeholders such as the Office of Chief Information Officer, the Privacy Office, and the Office of the Chief Component Procurement Officer, as well as the contractors.

However, in March 2022, FEMA officials informed us that this effort had been terminated and that they had decided not to pursue it any longer. In response to our inquiry at the time, FEMA officials did not provide reasons for this termination. However, officials that had been involved in the effort told us that there had been disagreements among stakeholders that could not be resolved. Officials added that the various stakeholders involved had different competing priorities, were overwhelmed with meeting their respective operational needs, and as such were not necessarily working together to address these issues.

While FEMA and its contractors both recognize the efficiency challenges, FEMA has no plan to address them. Given the importance of involving relevant stakeholders in the development of such a plan, top management attention is warranted to help ensure that such involvement occurs. Such a plan would have time frames and interim milestones that would provide a roadmap for the agency and affected stakeholders to identify and implement solutions. Further, the plan must be designed to protect the privacy of individuals' personally identifiable information.

FEMA's *IA Strategic Plan* indicates that building capability to implement the IHP program is critical to being ready to provide consistent and timely

assistance to survivors.⁶⁵ Furthermore, standards for project management call for developing a plan with specific actions and time frames that can help ensure success.⁶⁶

Developing and implementing a plan with time frames and interim milestones for addressing, in collaboration with relevant stakeholders, these technology-related challenges is essential. FEMA's success in doing so could result in a more efficient inspection process and more timely assistance to applicants.

Opportunities Exist for FEMA to Improve Communication of Housing Inspection Information to Disaster Applicants

In communicating with applicants throughout the housing inspections process, FEMA's contracted housing inspectors do not have or use company email addresses and do not all have agency tablets needed to contact and obtain information from applicants about inspections.

According to six of 15 contracted housing inspectors we interviewed in our group discussions, the use of personal email addresses creates a variety of challenges. FEMA inspectors typically contact applicants to schedule a housing inspection within 2 weeks after the applicants have applied for disaster assistance and have been referred to the IHP. The contracted housing inspectors, as well as the contractor management officials we spoke with, generally agreed that applicants sometimes do not answer their correspondences because they do not realize that FEMA housing inspectors may be contacting them from unofficial email addresses. In our interviews, contracted housing inspectors stated that applicants sometimes harass and threaten them creating safety issues for the inspectors, as applicants do not consider them to be government officials. Moreover, applicants sometimes provide their personally identifiable information via email correspondences to the contracted housing inspectors, creating possible privacy concerns and risk of potential fraud.

Contractor management officials we spoke with also agreed that having their inspectors use their personal email addresses to communicate with applicants creates challenges, especially when applicants may provide

⁶⁵FEMA, *IA Strategic Plan 2020-2024* (Washington, D.C.: Aug. 2020).

⁶⁶Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Sixth Edition (2017)*. PMBOK is a trademark of Project Management Institute, Inc. and *The Standard for Program Management®, Fourth Edition (2017)*. The Project Management Institute is a not-for-profit association that, among other things, provides standards for managing various aspects of projects, programs, and portfolios.

their personally identifiable information inadvertently. However, despite the challenges, these officials stated that they do not provide their contracted housing inspectors with official email addresses because contracted housing inspectors are seasonal and temporary employees, or independent contractors who provide their own tools and resources to conduct the inspections. These officials added that their contracted housing inspectors typically communicate with applicants using mobile devices (phones and texts) rather than email correspondence. Further, the officials stated that they have asked their contracted housing inspectors to create separate email addresses (nonofficial email addresses) to avoid inspectors' personal email addresses being shared with applicants and others involved with inspections.

Additionally, contractor management officials stated that in 2020, FEMA began an effort to replace the tablets used by its inspectors with new ones. In conjunction with the new tablets, FEMA began providing FEMA-issued email addresses to the contracted housing inspectors to enable them to log in to the tablet and communicate with applicants. According to the contractor management officials we spoke with, as of February 2022, about 550 out of 4,750 contracted housing inspectors had received both the new tablets and FEMA-issued email addresses. However, in May 2022, FEMA reported that it would no longer provide the contracted inspectors with FEMA-issued email addresses. According to FEMA officials, this was because the email addresses were no longer needed to authenticate credentials and log into the new tablets. FEMA officials noted that it is the contractors' responsibility to provide tools, such as email addresses or mobile phones, if they determine they are necessary.

Also, FEMA program officials stated that FEMA is providing new tablets to about 75 percent, approximately 3,563 of the 4,750 contracted housing inspectors. As to the remaining 25 percent, in May 2022, the program officials stated that FEMA is working on funding to provide the new tablets to all contracted housing inspectors, but could not provide further details on these efforts. These officials added that another option could be to have the remaining inspectors use the old tablets. However, officials stated that as of February 2022, FEMA had removed the old tablets from use and was no longer authorizing housing inspectors to use them to record housing inspections data.

FEMA's *IA Strategic Plan* states that one of the IA strategic goals is to pursue improvements that enhance the survivor and employee experience and support the FEMA mission to help people before, during

and after disasters.⁶⁷ In the case of the IHP housing inspections, for example, official email addresses would improve the ability of the contracted housing inspectors to effectively conduct inspections and communicate with applicants. Additionally, FEMA contractors' Performance Work Statements require the contractors to provide everything needed to perform the contract according to all of its terms and conditions, with the exception of government-issued property such as FEMA-issued tablets, which must be provided by FEMA.⁶⁸

By developing and implementing a strategy to ensure that contracted housing inspectors have the resources needed, FEMA would be better positioned to enable its inspectors to effectively and consistently carry out their jobs. Such a strategy would include providing official tablets and ensuring contracted housing inspectors have email addresses needed to conduct housing inspections and communicate with applicants.

Conclusions

Housing inspections are FEMA's means of assessing and verifying housing-related damages, and determining assistance for hundreds of thousands of disaster survivors each year. While FEMA has authorized over a million inspections in recent years, its reporting of applicants' housing inspections statuses is inconsistent and misleading. This is because it reports the statuses of all housing inspections it has authorized as completed, even though not all of the inspections were actually conducted. By developing and implementing a policy to consistently report on IHP applicants' housing inspections statuses, FEMA could ensure that internal and external stakeholders have the information needed to assist applicants and understand FEMA's progress in conducting inspections. Additionally, in its recording of IHP applicant data, FEMA does not have a process to improve its recording of eligibility and status codes, making it challenging to use the data to identify and analyze trends in applicant outcomes. By assessing its IHP applicant data to identify and implement ways to improve its recording of these codes, FEMA could enhance the usefulness of the data, and better track and analyze trends in IHP applicant outcomes.

FEMA has taken actions intended to improve its IHP housing inspections process, including developing a new damage level approach to help streamline the process. However, FEMA has not assessed the accuracy

⁶⁷FEMA, *IA Strategic Plan 2020-2024* (Washington, D.C.: Aug. 2020).

⁶⁸FEMA, *Housing Inspection Services (HIS) Performance Work Statement (PWS), Version 6.0 Contract* (Washington, D.C.: Apr. 14, 2021).

of the new approach. Assessing the accuracy of the new approach could help FEMA understand its appropriateness and reliability for assessing damages, and enable FEMA to make adjustments as needed. Further, in its IHP application, FEMA continues to prompt applicants to self-assess the level of damages to their homes, and it may use these assessments to authorize housing inspections for applicants. However, FEMA has not ensured that these assessments are a reliable indicator of program eligibility. Taking steps to ensure its policies on the use of self-assessments are supported by evidence, such as assessing the reliability of self-assessment responses, could help FEMA accurately identify damage levels and eligibility for assistance. Additionally, while FEMA has made efforts related to addressing fraud risk, its approach has not been a strategic one that includes assessing the various potential new fraud risks introduced by the remote inspection process and other subsequent policy changes. Developing and implementing a strategy for assessing such risks and mitigating them, could help FEMA balance its priority to increase access while also ensuring efficient and appropriate use of resources.

FEMA and its housing inspectors reported facing ongoing challenges in leveraging technologies related to using and managing housing inspections data to carry out the inspections process efficiently. FEMA also faces challenges in ensuring its inspectors have key resources, such as FEMA-issued tablets and official email addresses, needed to carry out inspections. While FEMA officials told us they have some efforts to address these issues, developing and implementing a plan with time frames and interim milestones for addressing, in collaboration with relevant stakeholders, the technology-related challenges to using and managing housing inspections data is essential. Likewise, a strategy to ensure contracted inspectors have the resources needed, such as providing official tablets and ensuring they have email addresses, to conduct inspections would better position FEMA to enable its inspectors to carry out their jobs and communicate with applicants effectively and consistently.

Recommendations for Executive Action

We are making the following 7 recommendations to FEMA:

The FEMA Administrator should develop and implement a policy to consistently report on IHP applicants' housing inspections statuses. (Recommendation 1)

The FEMA Administrator should assess its IHP applicant data to identify and implement ways to improve its recording of eligibility and status codes. (Recommendation 2)

The FEMA Administrator should assess the accuracy of the damage level approach for IHP housing inspections and adjust the approach as needed. (Recommendation 3)

The FEMA Administrator should take steps to ensure its policies on the use of applicants' self-assessments are supported by evidence, such as assessing the reliability of self-assessment responses to accurately identify eligibility for assistance. (Recommendation 4)

The FEMA Administrator should develop and implement a strategy to assess and mitigate fraud risks posed by the remote inspections process. (Recommendation 5)

The FEMA Administrator should develop and implement a plan with time frames and interim milestones for addressing, in collaboration with relevant stakeholders, technology-related challenges in the housing inspections process. (Recommendation 6)

The FEMA Administrator should develop and implement a strategy to ensure that contracted housing inspectors have the resources needed, including providing official tablets and ensuring contracted housing inspectors have email addresses, to carry out housing inspections and communicate with applicants. (Recommendation 7)

Agency Comments and Our Evaluation

We provided a draft of this report to DHS and FEMA for their review and comment. DHS provided comments, which are reproduced in appendix IV. In its comments, DHS concurred with five of our seven recommendations and described actions under way or planned to address them, and did not concur with two of them. FEMA also provided technical comments, which we incorporated as appropriate.

DHS did not concur with our first recommendation, that FEMA develop and implement a policy to consistently report on IHP applicants' housing inspections statuses. Specifically, FEMA stated that it does not believe that detailed information regarding how inspection data is reported is suitable for a policy document. According to DHS, FEMA's Recovery Reporting Analytics Division has the capability to report different levels of detail, such as whether an inspection was conducted or not, to meet the specific needs of the audience and data requested.

However, our recommendation is for ensuring that, in its reporting of completed housing inspections, FEMA consistently indicates whether a housing inspection was actually conducted. As we noted in this report, we analyzed FEMA's data on IHP applicants and reported on the disposition of their housing inspection statuses. In doing so, we found that FEMA's reporting is inconsistent and misleading. For example, FEMA reported to a congressional committee in June 2021 that it conducted 7,300 home inspections related to the August 2020 Iowa severe storms. However, we found that, of these 7,300 housing inspections, FEMA did not actually conduct housing inspections for about 1,000 applicants because those applicants either withdrew their IHP applications or a housing inspector was unable to contact them.

We also noted in this report that FEMA disseminates daily status reports to its regions, joint field offices, and state leaders that include the number of completed inspections; but does not indicate whether the inspections were actually conducted. These reports can be misleading in reporting FEMA's progress in conducting inspections it authorized for applicants.

Therefore, we continue to believe that FEMA needs to implement a method to ensure it consistently reports on its housing inspection statuses, including whether inspections were actually conducted or not. In doing so, it could help ensure that recipients of the information have a clear understanding of its progress in conducting inspections it authorized for applicants. FEMA could implement our recommendation by, for example, noting in its reporting of completed housing inspections the number of these inspections that were actually conducted.

DHS concurred with our second recommendation, that FEMA assess its IHP applicant data to identify and implement ways to improve its recording of eligibility and status codes. It stated that FEMA's Individual Assistance Division will review the current eligibility and status codes to determine if any are duplicative or unnecessary. According to DHS, once the division has identified duplicative and unnecessary codes, it will coordinate with the Recovery Technology Programs Division on the timeline for implementing changes in either the National Emergency Management Information System or its future replacement. DHS estimated that these efforts would be completed by June 30, 2023. At that time, we will assess the agency's actions to determine the extent to which they have addressed the intent of our recommendation.

DHS concurred with our third recommendation, that FEMA assess the accuracy of the damage level approach for IHP housing inspections and

adjust the approach as needed. It stated that FEMA began gathering data to conduct such an assessment in June 2022. According to DHS, FEMA anticipates that it will finish collecting data by March 31, 2023 and analyze the results to determine if any updates or policy changes are needed. To fully meet the intent of our recommendation, FEMA should not only assess its damage level approach—as it anticipates doing by June 30, 2023—but also make the necessary adjustments to its approach, which may include policy changes and other formalized documentation.

DHS did not concur with our fourth recommendation, that FEMA take steps to ensure its policies on the use of applicants' self-assessments are supported by evidence, such as assessing the reliability of self-assessment responses to accurately identify eligibility for assistance. DHS stated that FEMA does not use self-assessment data to make eligibility decisions, but rather to determine the timing of inspections to prioritize applicants with the highest reported damages first.

As we state in this report, FEMA initially used self-assessments to prioritize the timing of inspections, but in March 2020 issued a streamlined inspection policy that eliminates automatic inspections for applicants who self-assess minor damage.⁶⁹ Notably, an inspection is a prerequisite to receive certain types of assistance. In April 2021, FEMA officials stated that the self-assessment rating scale led to a reduced burden on applicants who had to go through the FEMA inspection process only to be denied assistance later. Therefore, we describe in this report that FEMA uses the self-assessments as an indicator of eligibility for assistance when authorizing inspections, though it is not the sole factor.

Moreover, DHS stated that the March 2020 policy provides recourse for individuals to receive an inspection if needed. However, the policy does so by placing the burden on eligible individuals who have already applied for help to contact FEMA again. In 2019 and 2020, we reported that IHP applicants can face challenges contacting FEMA via phone due to unanswered calls and long wait times. We also noted that FEMA's communications with applicants about their eligibility decisions can be

⁶⁹FEMA, *FEMA Recovery Policy FP 104-009-15: Streamlined Inspection Process Individuals and Households Program Policy (Interim)* (Washington, D.C.: Mar. 17, 2020).

confusing.⁷⁰ As described in this report, applicants can find it challenging to accurately assess the habitability of their home. FEMA officials told us that of all applicants who self-assessed minor damage during major disasters declared from January 1, 2018 through November 1, 2021, FEMA found that about 43 percent had eligible damages. DHS also stated that we misconstrued FEMA’s streamlined inspection policy by indicating that applicants who reported minor damage are being denied assistance. However, we maintain that we accurately characterized the policy. The policy states that these applicants will not be considered for home repair assistance, home replacement assistance, rental assistance, or personal property assistance unless they contact FEMA a second time. DHS also stated that FEMA does not determine applicants’ eligibility for assistance based on their self-assessment. However, the policy states that if these applicants do not contact FEMA within 15 days after the close of registration, they will receive a denial of assistance letter. While the policy may not directly deny applicants assistance, it creates additional barriers for applicants to receive inspections, and inspections are a prerequisite for many types of IHP assistance.

In September 2021, FEMA officials told us that to improve access to the program, they resumed automatically issuing inspections to all applicants regardless of self-assessment. In 2022, FEMA released an *Equity Action Plan* that stated it would authorize inspections for all IHP referred applicants in order to increase eligibility for assistance.⁷¹ However, FEMA officials also said the March 2020 self-assessment policy would remain in place for FEMA to implement at its discretion in the future.

According to FEMA officials, they have faced challenges related to the number of inspections they must conduct, and one stated goal of the policy is to “reduce the number of required inspections.” We note that our recommendation does not instruct FEMA to conduct unnecessary inspections or stop using self-assessments. Rather, we recommended that FEMA ensures its policies on the use of self-assessments are

⁷⁰GAO-19-318 and GAO-20-503. Our 2019 report reviewed how FEMA supports applicants with disabilities. We made seven recommendations intended to improve FEMA’s ability to identify and assist these applicants in accessing FEMA programs. As of October 2022, FEMA has implemented five of the seven recommendations. In 2020, we made a priority recommendation that FEMA identify and implement strategies to provide applicants with additional information about their eligibility decisions. FEMA officials told us they were taking steps to address this recommendation. As of October 2022, that recommendation remains open.

⁷¹FEMA, *Equity Action Plan* (Washington, D.C.: Feb. 23, 2022).

supported by evidence. This could include evaluating or adjusting the self-assessment prompt on the application to generate more accurate responses, or demonstrating that the follow-up requirement does not unduly burden applicants. DHS could implement our recommendation by, for example, providing evidence that FEMA's policies on self-assessments are evidence-based, which could help ensure FEMA provides the best possible service for applicants.

DHS concurred with our fifth recommendation, that FEMA develop and implement a strategy to assess and mitigate fraud risks posed by the remote inspections process. In its written comments, DHS stated that in March 2021, FEMA hired a contractor to assess its existing fraud controls and anticipated receiving the contractor's recommendations in September 2022. DHS also stated that in May 2022, FEMA approved the creation of a new unit dedicated to fraud-related work and coordination in the Individual Assistance program. DHS provided a time frame for staffing this unit and creating strategy documentation, and anticipates addressing our recommendation by October 31, 2023. At that time, we will assess the agency's actions to determine the extent to which they have addressed the intent of our recommendation.

DHS concurred with our sixth recommendation, that FEMA develop and implement a plan with time frames and interim milestones for addressing, in collaboration with relevant stakeholders, technology-related challenges in the housing inspections process. In its written comments, DHS stated that FEMA's Recovery Technology Programs Division has already begun working with the Individual Assistance Division to prioritize requests for additional functionality to be incorporated in relevant information management systems. DHS also stated that, due to current resource constraints and the FEMA Office of the Chief Information Officer's ongoing efforts to move all systems 'into the Cloud,' it anticipates this will be a multi-year effort and will involve at least two or more systems. According to DHS, some of the simpler challenges can be resolved in existing systems within the next year, while other more complex challenges will require more intensive research, planning, budgeting, and coordination to achieve in future years. DHS estimated that some these efforts would be completed by September 30, 2023. At that time, we will assess the agency's actions to determine the extent to which they have addressed the intent of our recommendation.

DHS concurred with part of our seventh recommendation, that FEMA develop and implement a strategy to ensure that contracted housing inspectors have the resources needed including providing official tablets,

to carry out housing inspections and communicate with applicants. DHS stated that FEMA developed a strategy to buy equipment (e.g., iPad tablets) for each disaster, once a major disaster declaration occurs that requires the use of contracted housing inspectors during the calendar year 2022 hurricane season. DHS added that FEMA's strategy includes adding a budget line item to purchase iPads in increments of up to 1,000 per year based on approved funding. These actions, if fully implemented, should address the intent of our recommendation.

However, DHS stated that it does not believe that government-issued e-mail addresses are necessary for inspectors to communicate with applicants. Specifically, DHS stated that such communication is currently performed using text messaging and phone calls to carry out housing inspections and communicate with applicants. As we noted in this report, contracted housing inspectors we interviewed in our group discussions stated that the use of personal email addresses creates a variety of challenges. These challenges include applicants not responding to emails when they do not recognize the sender as a representative of FEMA; privacy concerns related to sharing inspectors' personally identifiable information with applicants; and safety concerns for inspectors when applicants do not trust that an inspector contacting them is a representative of FEMA. These officials added that their contracted housing inspectors typically communicate with applicants using mobile devices (phones and text messages) rather than email correspondences.

Finally, FEMA stated that contracted housing inspector's communication with applicants is currently performed using text messaging and phone calls. However, to fully address our recommendation, we maintain that FEMA should identify and implement a strategy that ensures the concerns mentioned above by the contracted housing inspectors and contractor management officials related to the use of personal email are addressed.

We are sending copies of this report to the Secretary of Homeland Security, the FEMA Administrator, and the appropriate congressional committees. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (404) 679-1875 or curriec@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.

A handwritten signature in black ink that reads "Chris P. Currie". The signature is written in a cursive style with a large initial "C" and a distinct "P" and "C".

Chris P. Currie
Director, Homeland Security and Justice

List of Committees

The Honorable Gary C. Peters
Chairman
The Honorable Rob Portman
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Chris Murphy
Chair
The Honorable Shelley Moore Capito
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
United States Senate

The Honorable Bennie Thompson
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The Honorable John Katko
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House of Representatives

The Honorable Peter A. DeFazio
Chairman
The Honorable Sam Graves
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

The Honorable Lucille Roybal-Allard
Chairwoman
The Honorable Chuck Fleischmann
Ranking Member
Subcommittee on Homeland Security
Committee on Appropriations
House of Representatives

Appendix I: Objective, Scope, and Methodology

This report addresses: (1) the extent to which Federal Emergency Management Agency (FEMA) authorized housing inspections and approved applicants for the Individuals and Households Program (IHP) assistance for major disasters declared from January 2018 to November 2021, and reported and recorded these data; (2) the extent to which FEMA has taken actions intended to improve its housing inspections process since 2018, and (3) any challenges FEMA experienced in conducting housing inspections since 2018, and opportunities to address them.

To address our first objective, we analyzed FEMA's IHP applicant data from its National Emergency Management Information System.¹ We analyzed the most recent data available since our last review on IHP assistance in 2020.² These data encompassed about 2.7 million individuals or households who applied for IHP assistance for major disasters declared from January 1, 2018 through November 1, 2021.³ For the purposes of this report, we reviewed IHP financial housing assistance under FEMA's Housing Assistance Program and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under FEMA's Other Needs Assistance (ONA) Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance. We analyzed FEMA's IHP applicant

¹The National Emergency Management Information System is a database system used to track disaster data for FEMA and grantees.

²GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's Individuals and Households Program*, [GAO-20-503](#) (Washington, D.C.: Sept. 30, 2020).

³For the purposes of this report, we analyzed FEMA's IHP applicant data, as of December 6, 2021. As such, our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021. Generally, survivors have 60 days from the date of an Individual Assistance disaster declaration to apply for IHP assistance. FEMA may extend the application period when the state, territorial, or tribal government requests more time to collect applications from the affected population. After the end of the application period, FEMA will accept late applications for an additional 60 days. 44 C.F.R. § 206.112. Disaster survivors must write a letter to FEMA with the details of the extenuating circumstances that prevented them from applying for assistance in a timely manner with accompanying documentation, if applicable. FEMA will not allow applicants to complete an application after that 60-day grace period. The latest Individual Assistance disaster declaration for which we analyzed data was disaster number 4629, which occurred on October 30, 2021. The last day for survivors of this disaster to apply for IHP assistance was January 28, 2022. IHP assistance is limited to 18 months following the date of the disaster declaration. FEMA may extend the period of assistance due to extraordinary circumstances, if such an extension is in the public interest.

data to identify and compare various outcomes, such as referral and approval rates, overall and across different applicant groups.

We assessed the reliability of FEMA’s IHP applicant data by reviewing existing information about the National Emergency Management Information System, including internal controls related to collecting and maintaining the data; interviewing officials responsible for these data from FEMA’s Recovery Reporting Analytics Division; and testing the data for missing information, outliers, and obvious errors. Based on these steps, we determined the data to be sufficiently reliable for the purposes of reporting IHP housing assistance outcomes from January 1, 2018 through November 1, 2021. We also interviewed officials from FEMA’s Housing Inspection Services (HIS) Unit, the Office of Chief Counsel, and the Privacy Office, as well as officials from FEMA Regions 4, 6, 7, and 9 (we discuss the regional offices below) to understand the agency’s data policies, including those on managing and safeguarding its IHP applicant information.⁴

We reviewed FEMA IHP program guidance, including the May 2021 *Individual Assistance Program and Policy Guide*, to understand FEMA’s policies and processes for providing assistance through the IHP.⁵ Such policies and processes include how applicants apply for IHP assistance and how FEMA authorizes housing inspections.⁶ Further, we reviewed relevant laws, including the Disaster Recovery Reform Act of 2018, to understand the IHP maximum award amounts.⁷ We also reviewed our

⁴FEMA has 10 regional offices located across the United States to oversee federal emergency management.

⁵FEMA, *Individual Assistance Program and Policy Guide (IAPPG)*, FP 104-009-03 (Washington, D.C: May 2021).

⁶FEMA uses the term “issued” to denote a housing inspection it has authorized for an inspector to assess disaster related damages to an IHP applicant’s residence.

⁷Pub. L. No. 115-254, div. D, § 1212, 132 Stat. 3186, 3438 (codified at 42 U.S.C. § 5174(h)). In 2018, the Stafford Act was amended by the Disaster Recovery Reform Act of 2018, and those amendments generally applied to each major disaster and emergency declared by the President on or after August 1, 2017. The act included a provision that established separate maximum amounts for financial housing assistance and ONA, thus doubling the maximum amount an eligible applicant could receive. The act also removed temporary housing assistance, such as rental assistance and lodging expenses reimbursement, and assistance toward repairing or replacing disability-related real and personal property items from the financial assistance limits, so there is no limit for those items. FEMA will only provide assistance when the total initial IHP award amount is a minimum of \$50 and there is no minimum award amount for subsequent awards.

prior reports related to IHP assistance, including the report on FEMA's Individuals and Households Program.⁸ Furthermore, we assessed FEMA's reporting of IHP applicant outcomes against the information and communication component of the *Standards for Internal Control in the Federal Government* and FEMA's *2022-2026 Strategic Plan*.⁹ We also assessed FEMA's recording and management of IHP applicant eligibility decisions and status codes data against FEMA's *2018-2022 Strategic Plan*.¹⁰

To address our second objective, we reviewed relevant laws, including the Robert T. Stafford Disaster Relief and Emergency Assistance Act.¹¹ We also reviewed FEMA IHP guidance and policy such as *FEMA Policy: Streamlined Inspection Process Individuals and Households Program Policy (Interim)* to understand FEMA's policies and processes for conducting and overseeing IHP housing inspections since 2018.¹² We assessed FEMA's efforts related to policy changes involving housing inspections against the control environment component of the *Standards for Internal Control in the Federal Government* and the accuracy of

⁸GAO, *Disaster Assistance: Additional Actions Needed to Strengthen FEMA's Individuals and Households Program*, [GAO-20-503](#) (Washington, D.C.: Sept. 30, 2020) and GAO, *Disaster Assistance: FEMA Action Needed to Better Support Individuals Who are Older or Have Disabilities*, [GAO-19-318](#) (Washington, D.C.: May 14, 2019).

⁹GAO, *Standards for Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014), and FEMA, *2022-2026 FEMA Strategic Plan* (Washington, D.C.: Dec. 2021).

¹⁰FEMA, *2018-2022 FEMA Strategic Plan* (Washington, D.C.: Mar. 15, 2018). For the purposes of this report, we are using FEMA's *2018-2022 FEMA Strategic Plan* as it is within the time period of our review. In December 2021, FEMA released its *2022-2026 FEMA Strategic Plan* (Washington, D.C.: Dec. 16, 2021), which also discusses the agency's efforts related to data.

¹¹42 U.S.C. § 5121 et seq. We also reviewed the Disaster Recovery Reform Act of 2018, Pub. L. No. 115-254, div. D, 132 Stat. 3186, 3438.

¹²FEMA, *FEMA Policy: Pandemic Remote Inspection Process, Individuals and Households Program Policy (Interim)*, FP 104-009-17 (Washington, D.C.: Mar. 20, 2020) and FEMA, *FEMA Policy: Streamlined Inspection Process Individuals and Households Program Policy (Interim), FEMA Recovery Policy* FP 104-009-15 (Washington, D.C.: Mar. 17, 2020).

information component of *The Standard for Program Management*.¹³ We also assessed FEMA's policies against its *2018-2022 Strategic Plan* and its IA strategic plan for 2020-2024.¹⁴

We analyzed FEMA documentation about how it developed and implemented its damage level approach used to determine IHP awards since 2020. This information included documents on the pricing used in determining awards, such as FEMA's *Inspection Modernization Pilot Performance Plan*,¹⁵ *Real Property Award Packages Analysis and Explanation*,¹⁶ and Excel worksheets FEMA officials used to determine damage level awards. We reviewed an analysis that FEMA officials conducted in April and May 2020 to evaluate damage level determinations.¹⁷ We assessed FEMA's evaluative approach against the Office of Management and Budget's guidance on evidence-based policymaking.¹⁸ We also assessed FEMA's policy on applicant self-assessments (as detailed in the *Streamlined Inspection Policy*) against its *2022 Equity Action Plan*.¹⁹

We also analyzed FEMA's IHP data to identify trends in IHP awards made before and during FEMA's implementation of various IHP policies since January 1, 2018, including FEMA's remote and streamlined inspection policies, as well as trends related to IHP applicants' self-assessments and damage level approach.

¹³GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014); Project Management Institute, Inc., *The Standard for Program Management – Fourth Edition* (2017). The Project Management Institute is a not-for-profit association that, among other things, provides standards for managing various aspects of projects, programs, and portfolios.

¹⁴FEMA, *2018-2022 FEMA Strategic Plan*; and FEMA, *IA Strategic Plan 2020-2024* (Washington, D.C.: Aug. 2020).

¹⁵FEMA, *Inspection Modernization Pilot Performance Plan* (Washington, D.C.: Aug. 1, 2018).

¹⁶FEMA, *Real Property Award Packages Analysis and Explanation* (Washington, D.C.: Aug. 1, 2018).

¹⁷FEMA, *Damage Level Quality Assessments* (Washington, D.C.: Apr.-May 2020).

¹⁸Office of Management and Budget, *Evidence-Based Policymaking: Learning Agenda and Annual Evaluation Plans*, Memorandum M-21-27 (Washington, D.C.: June 30, 2021).

¹⁹FEMA, *Equity Action Plan* (Washington, D.C.: Feb. 23, 2022).

Additionally, we reviewed FEMA’s housing inspection contracting documents with the two inspection companies—Vanguard Inspection Services and WSP—since calendar year 2018 to identify controls and mechanisms to ensure the quality and consistency of housing inspections and reduce the risk of fraud. We reviewed documents and policies on FEMA’s efforts to address the risk of fraud in IHP housing inspections, such as FEMA’s *Identifying and Processing Potentially Fraudulent Registrations*²⁰ and the Individual Assistance Program’s fraud risk profile developed by the MITRE Corporation in 2018.²¹ We examined FEMA’s housing inspections process and controls against elements of the *Framework for Managing Fraud Risks in Federal Programs* (Fraud Risk Framework) related to planning and designing fraud risk assessments, which we selected for their relevancy to oversight controls FEMA uses to reduce its fraud risk.²²

We interviewed officials from FEMA headquarters including the Individual and Assistance (IA) Division, IA Field Services Section, HIS Unit, and the Recovery Reporting Analytics Division to understand FEMA’s development, implementation, evaluation, and oversight of housing inspection policies. We also interviewed management officials from Vanguard and WSP as well as FEMA in-house and contracted housing inspectors about their processes for conducting inspections.²³

Additionally, we interviewed emergency management officials from four selected states—California, South Carolina, Texas, and Iowa—regarding their experience with FEMA IHP housing inspections. We selected states that each had major disasters during multiple years of the time period of our review, specifically both before and during the COVID-19 pandemic.

We selected California, South Carolina, and Texas because they had a relatively high number of major disaster declarations and IHP assistance

²⁰FEMA, *Identifying and Processing Potentially Fraudulent Registrations* (Washington, D.C.: Nov. 16, 2020).

²¹Homeland Security Systems Engineering & Development Institute, *FEMA ORR: Building a Fraud Risk Profile* (Washington, D.C.: Aug. 13, 2018).

²²GAO, *Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington, D.C.: July 28, 2015).

²³For the purposes of this report, “FEMA’s in-house housing inspectors” refers to FEMA-employed housing inspectors; “contracted housing inspectors” refers to inspectors from the two housing contractors (Vanguard and WSP); and “housing inspectors” refers to all of the housing inspectors, collectively.

awarded compared to other states and because of their geographic diversity. We selected Iowa because it represented a median number of disasters declared and IHP assistance awarded. We also interviewed officials from the FEMA regions associated with these four states (Regions 4, 6, 7, and 9) to understand how the housing inspections process operates. Finally, we selected a non-governmental organization from each of these four states to interview about their experience working with IHP applicants. We selected these organizations based on our previous work and interviews conducted with FEMA, state, and local officials.

We further identified a sample of 10 major disasters that were approved for IHP assistance and which were declared from January 2018 through March 2021 in the above four states, as described in table 2. We included at least two disasters from each state, at least one of which predated the beginning of the pandemic in March 2020 and at least one of which occurred later. During our interviews, we asked state and non-governmental officials about their experiences with housing inspections conducted for these disasters specifically, as well as their experiences more broadly with housing inspections conducted during our time frame for any disaster.

Table 2: Selected Major Disasters Approved for Individuals and Households Program (IHP) Assistance Declared from January 2018 through March 2021

State	FEMA region	Major disaster declaration (DR)	Disaster declaration date	Disaster type
California	9	DR-4407-CA	11/12/2018	Wildfires
California	9	DR-4558-CA	08/22/2020	Wildfires
South Carolina	4	DR-4394-SC	09/16/2018	Hurricane Florence
South Carolina	4	DR-4542-SC	05/01/2020	Severe Storms, Tornadoes, and Straight-line Winds
Texas	6	DR-4377-TX	07/06/2018	Severe Storms and Flooding
Texas	6	DR-4454-TX	07/17/2019	Severe Storms and Flooding
Texas	6	DR-4466-TX	10/04/2019	Tropical Storm Imeda
Texas	6	DR-4586-TX	02/19/2021	Severe winter storms
Iowa	7	DR-4421-IA	03/23/2019	Severe Storms and Flooding
Iowa	7	DR-4557-IA	08/17/2020	Severe Storms

Source: GAO analysis of Federal Emergency Management Agency (FEMA) information. | GAO-23-104750

To address our third objective, we reviewed FEMA policy and guidance related to IHP housing inspections.²⁴ We also analyzed FEMA’s documented efforts aimed at addressing challenges with the IHP housing inspections. We compared these efforts against key principles from the Project Management Institute’s *A Guide to the Project Management Body of Knowledge* related to developing a plan with specific actions and time frames that serve as guideposts for assessing progress.²⁵ We reviewed FEMA’s contracting documents with Vanguard and WSP, including the Performance Work Statement, to understand the terms and conditions of the contracts.²⁶

We also interviewed officials from FEMA headquarters—including those from the IA Division, IA Field Services Section, HIS Unit, Recovery Reporting Analytics Division, the Office of Chief Counsel, the Office of the Chief Component Procurement Officer-Contracts, the Privacy Office, and the four FEMA regions described above—to better understand IHP housing inspections, as well as their perspectives on it. We also interviewed management officials from Vanguard and WSP, and FEMA in-house and contracted housing inspectors to obtain their perspectives on the IHP housing inspections process.

To address our second and third objectives, in July 2021, we observed 18 inspections conducted by FEMA in-house inspectors to better understand the process. These inspections consisted of six follow-up virtual inspections for a major disaster declared in Louisiana in June 2021, and 12 in-person initial hybrid inspections for a major disaster declared in Michigan in July 2021. We selected these inspections for observation based on inspector availability and because they coincided with the timing of our audit work.

In December 2021, we also conducted group discussions with 23 randomly selected housing inspectors, consisting of eight FEMA in-house inspectors, six Vanguard inspectors, and nine WSP inspectors to obtain

²⁴FEMA, *Fact Sheet: What You Need to Know: Housing Inspections* (Washington, D.C.: Nov. 21, 2018).

²⁵Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Sixth Edition (2017)*. PMBOK is a trademark of Project Management Institute, Inc. The Project Management Institute is a not-for-profit association that, among other things, provides standards for managing various aspects of projects, programs, and portfolios.

²⁶FEMA, *Housing Inspection Services (HIS) Performance Work Statement (PWS), Version 6.0 Contract* (Washington, D.C.: Apr. 14, 2021).

their perspectives on conducting IHP housing inspections. We prioritized inspectors with experience conducting both remote and in-person inspections, but also included some inspectors who had conducted only one inspection type. We randomly selected inspectors from FEMA's IHP data who met a baseline level of experience. Specifically, we selected inspectors who met at least one of the following criteria: they had conducted more than 100 inspections, conducted inspections for more than three major disasters, or conducted inspections for more than two types of disasters. The inspectors had conducted inspections for any of the 10 selected disasters in the four states we mentioned earlier, and had experience with a range of geographic locations and disaster types. The number of inspectors present in each focus group differed due to differences in inspector availability.

Analyzing Program Outcomes Using FEMA's IHP Applicant Data

We analyzed FEMA's IHP applicant data for major disasters declared from January 1, 2018 through November 1, 2021, by calendar year, for the full population of IHP applicants, and for groups of IHP applicants. Specifically, we analyzed FEMA's IHP data on referred and non-referred applicants, applicants for whom FEMA authorized housing inspections, approval rates and amounts of IHP assistance applicants received, and the most common reasons for ineligibility.²⁷ For the purposes of this report, we refer to these data as program outcomes.

IHP Applicant Population and Community Characteristics

We analyzed program outcomes for different groups of IHP applicants, which we created using FEMA's IHP data. Specifically, we created groups for the following applicant and community categories: age, gross annual income, federal poverty guidelines, household size, homeownership status, and disaster location.

Age

FEMA's IHP data contained applicants' age and we used the following four groups for our analysis: (1) under 25, (2) 25 to 49, (3) 50 to 64, and (4) 65 and older. We identified 17 referred applicants (less than 1 percent of all referred applicants) and 29 non-referred applicants (less than 1 percent of all non-referred applicants) for whom FEMA's data did not contain information about the applicant's age.

Gross Annual Income

FEMA's IHP data contained applicants' gross annual income. We used the following four gross annual income groups for our analysis: (1) less than \$10,000, (2) \$10,000 to less than \$25,000, (3) \$25,000 to less than

²⁷For the purposes of this report, we analyzed FEMA's IHP data on referred applicants who were assessed for financial housing assistance or personal property assistance only, or both kinds of assistance.

\$50,000, and (4) \$50,000 and above. We identified about 379,500 referred applicants (18 percent of all referred applicants) and about 105,800 non-referred applicants (24 percent of all non-referred applicants) for whom FEMA's data did not contain gross annual income information.

Federal Poverty Guideline

We analyzed each IHP applicant's reported gross annual income and household size to calculate their reported gross annual income as a percentage of the federal poverty guideline for the applicable year. We used the federal poverty guidelines from the same year as the Individual Assistance disaster declaration for which a survivor applied for IHP assistance.

Each year, the Department of Health and Human Services issues federal poverty guidelines, which represent a household income for different household sizes and locations. There are three sets of guidelines: (1) 48 contiguous states and D.C., (2) Alaska, and (3) Hawaii.²⁸ The federal poverty guidelines are not defined for U.S. territories. Federal poverty guidelines are used to determine financial eligibility for certain federal programs.²⁹ According to the Department of Health and Human Services, in cases in which a federal program using the poverty guidelines serves any of those jurisdictions, the federal office that administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The U.S. Small Business Administration (SBA) established its minimum income guidelines for its Disaster Home Loan Program using the federal poverty guidelines, according to a June 1985 agency memorandum. Specifically, SBA increased the federal poverty guidelines for a single person household by 150 percent and all other households by 125 percent to create the minimum income guidelines for its loan program. To include all IHP applicants in our analysis, we calculated federal poverty guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the SBA used to calculate its minimum income

²⁸For example, the 2018 poverty guideline for a family of four in any of the 48 contiguous states and the District of Columbia was \$25,100. In comparison, the 2018 guidelines for a family of four in Alaska and Hawaii were \$31,380 and \$28,870, respectively.

²⁹For example, the Department of Agriculture's National School Lunch Program provides lunches to children in schools for free if their household income is below 130 percent of the poverty guidelines, and at a reduced price if their household income is between 130 percent and 185 percent of the guidelines.

guidelines for U.S. territories. From January 1, 2018 through November 1, 2021, about 55,200 referred IHP applicants (almost 3 percent of all IHP applicants) and about 5,700 non-referred applicants (1 percent of all non-referred applicants) were survivors of disasters that occurred in the following U.S. territories: Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands.

We used the following four federal poverty guideline groups for our analysis: (1) 100 percent or below, (2) above 100 percent to 200 percent, (3) above 200 percent to 300 percent, and (4) above 300 percent. As previously stated, we identified about 379,500 referred applicants (18 percent of all referred applicants) and about 105,800 non-referred applicants (24 percent of all non-referred applicants) for whom FEMA's IHP data did not contain gross annual income information. As a result, the data reported in our federal poverty guideline groups do not include these applicants.

Household Size

FEMA's IHP data contain IHP applicants' household size. We used the following three household size groups for our analysis: (1) one, (2) two, and (3) three or more. We identified two referred applicants (less than 1 percent of all referred applicants) and 16 non-referred applicants (less than 1 percent of all non-referred applicants) for whom FEMA's data did not contain household size information. Further, about 1,900 referred applicants and 130 non-referred applicants were from households with 11 or more individuals.

Homeownership Status

FEMA's IHP data contain IHP applicants' homeownership status. We used the following two homeownership status groups for our analysis: (1) owners, and (2) renters. We identified about 7,900 referred applicants (less than 1 percent of all referred applicants) and 46 non-referred applicants (less than 1 percent of all non-referred applicants) for whom FEMA's data did not contain homeownership information.

Disaster Location

We also created groups based on the location of the Individual Assistance disaster declaration for which a survivor applied for IHP assistance. We used the following three disaster location groups for our analysis: (1) U.S. states;³⁰ (2) Puerto Rico; and (3) other U.S. territories. For example, survivors of Tropical Storm Gita in American Samoa who

³⁰This group includes individuals who applied for IHP assistance for major disasters in any of the 48 contiguous states, Alaska, and Hawaii.

applied for IHP assistance were included in our other U.S. territories disaster location group.

Analysis of IHP Applicant Outcomes

Analysis of Referred and Non-Referred IHP Applicants

We reviewed FEMA’s IHP applicant data to determine IHP applicant referral and non-referral rates. As previously stated, we reviewed FEMA’s data on IHP financial housing assistance and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the ONA, we reviewed data on assistance related to personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance. About 2.7 million individuals or households applied for IHP assistance for major disasters declared from January 1, 2018 through November 1, 2021. As described in the report, of these applicants, FEMA referred about 2.1 million (80 percent of all applicants) who met certain conditions of the program, and assessed them for financial housing and personal property assistance. We have excluded from our analysis about 94,000 applicants referred to the IHP whom FEMA assessed for other types of ONA (e.g. funeral and dental assistance). We have also excluded about 16,000 applicants who were referred to the IHP, but for whom FEMA’s data do not contain additional inspections or assistance records. According to FEMA officials, some applicants are referred to the IHP, but do not receive an assistance record because they are held in a pending status due to fraud, duplicate records, or other programmatic reasons. Additionally, any applicant without an eligibility decision—either eligible or ineligible for assistance—will not have an assistance record, even if they were referred to IHP.

Based on our analysis of FEMA’s data, about 440,000 IHP applicants (16 percent of all applicants) were not referred to the program. This number includes about 12,000 applicants with non-referred statuses—but for whom FEMA did not make eligibility decisions. According to FEMA officials, some applicants for whom it authorized housing inspections do not receive an eligibility decision for IHP assistance because they do not have disaster-related damages, among other reasons. Furthermore, FEMA officials stated that from a data perspective, only applicants who have an eligibility decision (i.e., applicants with an assistance record) are categorized as “referred.”

Analysis of FEMA IHP Applicants for Whom It Authorized Housing Inspections

We reviewed FEMA’s IHP data to calculate the percentage of IHP applicants for whom it authorized housing inspections.³¹ Of the roughly 2.1 million IHP applicants referred to the program for financial housing and personal property assistance, FEMA authorized housing inspections for about 1.4 million applicants (67 percent of all referred applicants). We have excluded about 12,000 non-referred applicants for whom FEMA authorized housing inspections but did not make eligibility decisions, as previously stated.

Analysis of IHP Approval Rates and Financial Assistance Received

To determine approval rates for IHP assistance, we calculated the percentage of all referred applicants whom FEMA approved for financial housing and personal property assistance. As previously stated, FEMA referred about 2.1 million applicants to the IHP to be considered for assistance. FEMA approved about 710,000 (34 percent) of the referred applicants for IHP assistance. FEMA did not approve about 1.4 million referred applicants (66 percent of all referred applicants) for IHP assistance.

FEMA’s IHP applicant data includes records for all the types of assistance the agency considered an applicant for, as well as the amount of funds FEMA provided for each type of assistance. To determine the total amount of IHP financial assistance an applicant received, we added the amounts FEMA awarded the applicant for financial housing and personal property assistance. We then calculated the mean and median total award amounts for applicants who received IHP financial housing and personal property assistance.³²

Analysis of Reasons for Ineligible Determinations

We reviewed FEMA’s IHP applicant data to identify any ineligible determinations that applicants received, including the corresponding reason for ineligibility. IHP applicants may receive numerous eligibility determinations. Our analysis is based on eligibility determinations for which an applicant did not receive financial housing or personal property assistance. We identified 475 combinations of eligibility and status codes. We identified the three most common reasons for ineligibility determinations by calculating the number of referred IHP applicants who

³¹FEMA authorizes housing inspections for various reasons, which include those authorized as an initial inspection; following an appeal by an applicant; and as a result of a correction by FEMA or its contractors.

³²For the purposes of this report, we present both mean and median total award amounts for applicants—measures of average value (central tendency)—because the mean amounts are upwardly (positively) skewed due to a few large award amounts.

were determined ineligible based on each reason and the percentage of applicants who were found ineligible based on each reason.

We conducted this performance audit from January 2021 to October 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Supplemental Analysis of Individuals and Households Program Applicant Outcomes

Based on our analysis of the Federal Emergency Management Agency's (FEMA) Individuals and Households Program (IHP) applicant data, we found that there are differences in referral rates for financial housing and personal property assistance, authorized housing inspection statuses, approval rates, financial assistance received, and reasons for eligibility across IHP applicants.¹ See figures 12-19 below for our supplemental analysis of IHP applicant outcomes for major disaster declarations that included Individual Assistance from January 1, 2018 through November 1, 2021.

¹For the purposes of this report, we reviewed IHP applicant data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021. As such, our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021. We reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

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Individuals and Households Program
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**Referred IHP Applicants,
by Type of Assistance**

Figure 12: Referred FEMA’s Individuals and Households Program (IHP) Applicants, by Type of Assistance, for Major Disasters Declared from January 1, 2018 through November 1, 2021

		Financial housing assistance	Personal property assistance	Both kinds of assistance
All referred applicants	2,149,402	1,524,619	35,547	589,236
Calendar year	2018	206,946	5,741	98,307
	2019	42,288	1,216	19,916
	2020	289,785	9,930	150,482
	2021	985,600	18,660	320,531
Age	Under 25	67,314	2,796	44,687
	25 to 49	716,528	20,613	304,871
	50 to 64	447,654	7,932	149,267
	65 and older	293,115	4,205	90,403
Gross annual income	less than \$10,000	84,160	10,627	172,770
	\$10,000 to less than \$25,000	175,318	16,757	267,490
	\$25,000 to less than \$50,000	381,768	5,615	96,540
	\$50,000 and above	535,368	1,087	22,409
Federal poverty guidelines^a	100% or below	160,860	22,438	365,552
	Above 100% to 200%	291,930	9,937	159,449
	Above 200% to 300%	257,060	1,074	20,575
	Above 300%	466,763	637	13,632
Household size	1	522,254	11,244	178,425
	2	428,041	7,891	135,161
	3 or more	574,323	16,412	275,649
Ownership status	Homeowner	994,748	8,746	252,881
	Renter	523,746	26,454	334,948
Disaster location	U.S. States	1,494,366	34,781	565,057
	Puerto Rico	25,701	507	11,832
	Other U.S. Territories	4,552	259	12,347

Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

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Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

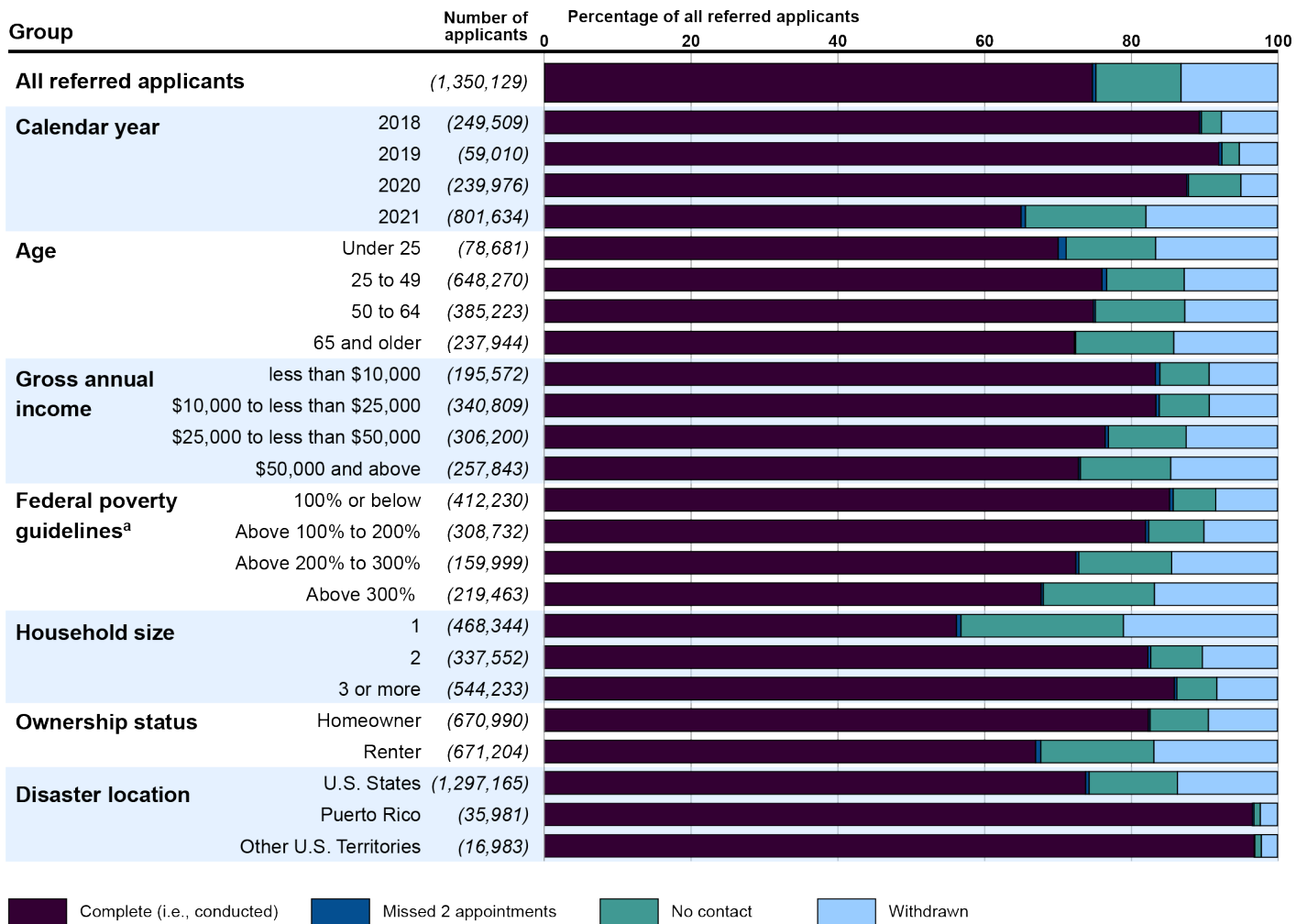
We found that less than 1 percent of referred applicants had missing age, household size, or ownership status data, and 18 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. We have excluded from our analysis about 94,000 applicants referred to the IHP whom FEMA assessed for types of Other Needs Assistance other than personal property assistance. We have also excluded about 16,000 applicants who were referred to the IHP, but for whom FEMA's data do not contain additional housing inspections or assistance records.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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IHP Applicants for Whom
FEMA Authorized Housing
Inspections, by Inspection
Status

Figure 13: Individuals and Households Program (IHP) Applicants for Whom FEMA Authorized Housing Inspections, by Inspection Status, for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency's (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

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For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance. FEMA authorized multiple housing inspections for some IHP applicants. Our analysis is based on an applicant's latest inspection status.

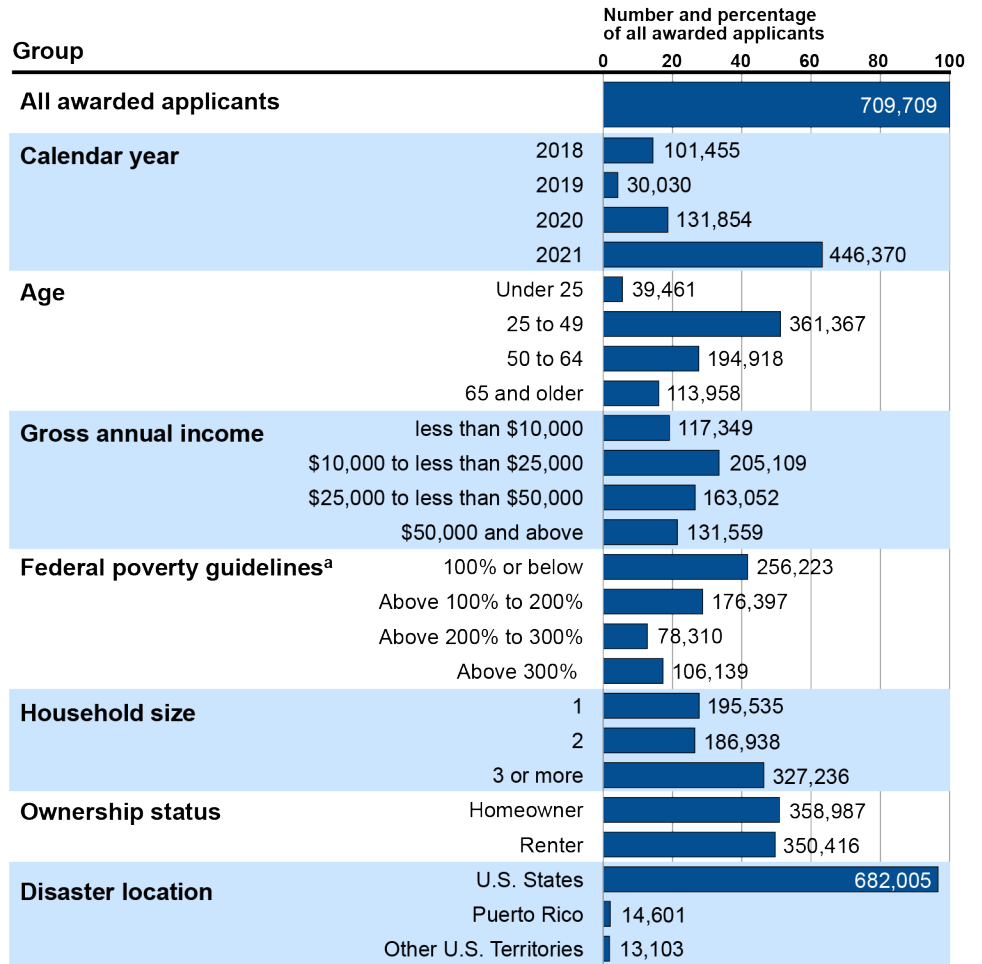
We found that less than 1 percent of referred applicants had missing age or ownership status data, and 18 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. We have excluded about 12,000 applicants, with non-referred statuses, for whom FEMA authorized housing inspections because it did not make an eligibility decisions for those applicants.

³Federal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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**IHP Applicants Approved
for Assistance**

Figure 14: Applicants Approved for Assistance through FEMA’s Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of referred applicants had missing age or ownership status data, and 13 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. For some of the IHP applicants, FEMA determined their eligibility for both

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financial housing and personal property—among other types of other needs assistance, which we excluded from our analysis.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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**IHP Applicants Approved
for Assistance, by Type of
Assistance**

Figure 15: Applicants Approved for Assistance through FEMA’s Individuals and Households Program (IHP) by Type of Assistance, for Major Disasters Declared from January 1, 2018 through November 1, 2021

		Financial housing assistance	Personal property assistance	Both kinds of assistance
All awarded applicants	709,709	369,119	6,889	333,701
Calendar year	2018	44,810	657	55,988
	2019	17,870	162	11,998
	2020	52,358	3,176	76,320
	2021	254,081	2,894	189,395
Age	Under 25	17,148	525	21,788
	25 to 49	182,597	4,548	174,222
	50 to 64	105,089	1,418	88,411
	65 and older	64,282	398	49,278
Gross annual income	less than \$10,000	22,940	2,200	92,209
	\$10,000 to less than \$25,000	51,109	3,119	150,881
	\$25,000 to less than \$50,000	104,294	1,009	57,749
	\$50,000 and above	118,562	140	12,857
Federal poverty guidelines^a	100% or below	45,780	4,803	205,640
	Above 100% to 200%	86,135	1,434	88,828
	Above 200% to 300%	65,899	164	12,247
	Above 300%	99,091	67	6,981
Household size	1	107,065	1,443	87,027
	2	107,694	1,470	77,774
	3 or more	154,360	3,976	168,900
Ownership status	Homeowner	218,058	233	140,696
	Renter	150,833	6,656	192,927
Disaster location	U.S. States	359,379	6,541	316,085
	Puerto Rico	7,378	187	7,036
	Other U.S. Territories	2,362	161	10,580

Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through

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November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

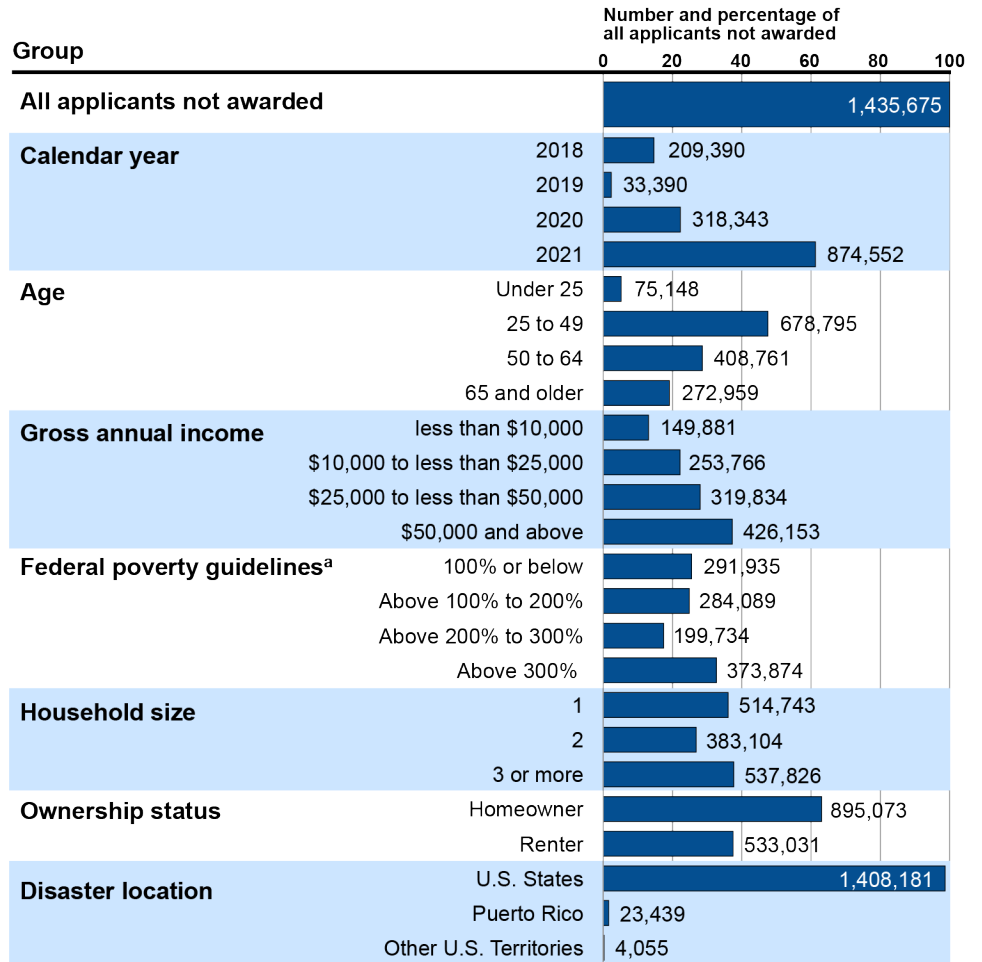
We found that less than 1 percent of referred applicants had missing age or ownership status data, and 13 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. For some of the IHP applicants, FEMA determined their eligibility for both financial housing and personal property—among other types of other needs assistance, which we excluded from our analysis.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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**IHP Applicants Not
Approved for Assistance**

Figure 16: Applicants Not Approved for Assistance through FEMA’s Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of referred applicants had missing age, household size, or ownership status data, and 20 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. For some of the IHP applicants, FEMA determined their

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eligibility for both financial housing and personal property—among other types of other needs assistance, which we excluded from our analysis.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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**IHP Applicants Not
Approved for Assistance,
by Type of Assistance**

Figure 17: Applicants Not Approved for Assistance through FEMA’s Individuals and Households Program (IHP), by Type of Assistance, for Major Disasters Declared from January 1, 2018 through November 1, 2021

		Financial housing assistance	Personal property assistance	Both kinds of assistance
All applicants not awarded	1,435,675	1,151,497	28,657	255,521
Calendar year	2018	162,003	5,083	42,304
	2019	24,418	1,054	7,918
	2020	237,427	6,754	74,162
	2021	727,649	15,766	131,137
Age	Under 25	49,978	2,271	22,899
	25 to 49	532,086	16,064	130,645
	50 to 64	341,398	6,514	60,849
	65 and older	228,030	3,807	41,122
Gross annual income	less than \$10,000	60,897	8,427	80,557
	\$10,000 to less than \$25,000	123,526	13,637	116,603
	\$25,000 to less than \$50,000	276,439	4,606	38,789
	\$50,000 and above	415,655	947	9,551
Federal poverty guidelines^a	100% or below	114,400	17,634	159,901
	Above 100% to 200%	204,966	8,503	70,620
	Above 200% to 300%	190,496	910	8,328
	Above 300%	366,654	570	6,650
Household size	1	413,547	9,801	91,395
	2	319,298	6,421	57,385
	3 or more	418,651	12,435	106,740
Ownership status	Homeowner	774,387	8,513	112,173
	Renter	371,215	19,797	142,019
Disaster location	U.S. States	1,130,984	28,239	248,958
	Puerto Rico	18,323	320	4,796
	Other U.S. Territories	2,190	98	1,767

Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through

**Appendix II: Supplemental Analysis of
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November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of referred applicants had missing age, household size, or ownership status data, and 20 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. For some of the IHP applicants, FEMA determined their eligibility for both financial housing and personal property—among other types of other needs assistance, which we excluded from our analysis.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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**Median and Mean IHP
Financial Assistance, by
Type of Assistance**

Figure 18: Approved Applicants Receiving Assistance through FEMA’s Individuals and Households Program (IHP), by Type of Assistance, for Major Disasters Declared from January 1, 2018 through November 1, 2021

		Financial housing assistance		Personal property assistance		Both kinds of assistance	
		Median (\$)	Mean (\$)	Median (\$)	Mean (\$)	Median (\$)	Mean (\$)
All awarded applicants		1,854	3,631	900	1,338	2,988	4,797
Calendar year	2018	2,018	4,463	580	826	3,090	5,940
	2019	2,360	6,287	622	877	3,485	6,922
	2020	1,974	4,614	1,219	1,717	3,196	5,161
	2021	1,760	3,095	760	1,063	2,852	4,178
Age	Under 25	1,326	2,169	920	1,349	2,633	3,892
	25 to 49	1,734	3,125	928	1,457	2,936	4,306
	50 to 64	2,142	4,146	710	1,066	3,027	5,259
	65 and older	2,376	4,619	629	929	3,419	6,108
Gross annual income	less than \$10,000	1,334	2,706	796	1,194	2,622	4,194
	\$10,000 to less than \$25,000	1,410	2,958	900	1,353	2,938	4,739
	\$25,000 to less than \$50,000	1,738	3,468	942	1,404	3,349	5,208
	\$50,000 and above	2,462	4,322	990	1,403	3,987	6,667
Federal poverty guidelines^a	100% or below	1,346	2,691	900	1,317	2,878	4,504
	Above 100% to 200%	1,798	3,482	900	1,278	3,006	5,033
	Above 200% to 300%	1,852	3,785	918	1,301	3,393	5,764
	Above 300%	2,097	4,186	953	1,341	3,530	6,378
Household size	1	1,398	3,025	709	1,027	2,515	4,546
	2	1,788	3,736	817	1,218	2,808	4,738
	3 or more	2,498	3,979	976	1,495	3,327	4,954
Ownership status	Homeowner	3,095	5,018	508	813	4,127	7,044
	Renter	1,061	1,630	900	1,356	2,421	3,160
Disaster location	U.S. States	1,852	3,589	900	1,364	3,012	4,786
	Puerto Rico	1,971	5,495	273	534	1,576	5,346
	Other U.S. Territories	2,056	4,246	998	1,186	3,078	4,767

Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

**Appendix II: Supplemental Analysis of
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Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

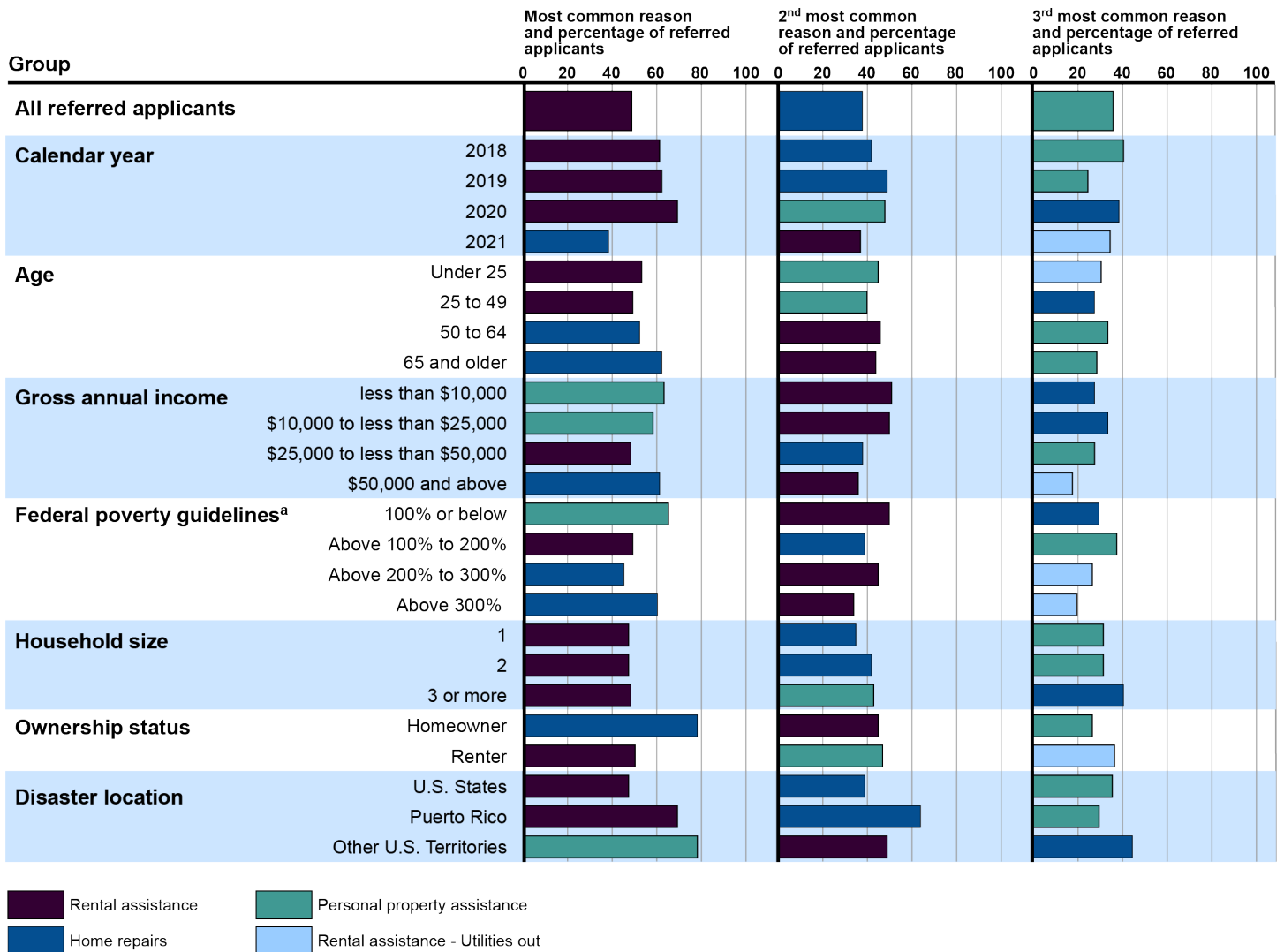
We found that less than 1 percent of referred applicants had missing age or ownership status data, and 13 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. For some of the IHP applicants, FEMA determined their eligibility for both financial housing and personal property—among other types of other needs assistance, which we excluded from our analysis.

^aFederal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

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Most Common Reasons
for an Eligible
Determination

Figure 19: Most Common Reasons Referred Applicants Were Deemed Eligible for Assistance from FEMA’s Individuals and Households Program (IHP) for Major Disasters Declared from January 1, 2018 through November 1, 2021



Source: GAO analysis of Federal Emergency Management Agency’s (FEMA) IHP applicant data, as of December 6, 2021. | GAO-23-104750

Notes: The Federal Emergency Management Agency (FEMA) provided the Individuals and Households Program (IHP) data for major disasters declared from January 1, 2018 through November 1, 2021, as of December 6, 2021, which we used to create the applicant groups. Our analysis excludes IHP applicant data after December 6, 2021, for major disasters declared from January 1, 2018 through November 1, 2021.

**Appendix II: Supplemental Analysis of
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Applicant Outcomes**

For the purposes of this report, we reviewed IHP financial housing assistance, and excluded nonfinancial housing assistance (i.e., direct housing assistance), as the former assistance pays funds directly to the applicant. Under the Other Needs Assistance Program, we reviewed personal property expenses and excluded expenses related to medical, funeral, transportation, or dental assistance.

We found that less than 1 percent of referred applicants had missing age or ownership status data, and 13 percent had missing gross annual income data, which also affects our federal poverty guideline analysis. Further, less than 1 percent of referred applicants were from households with 11 or more individuals. IHP applicants may receive numerous eligibility determinations. Our analysis is based on eligibility determinations for which an applicant received financial housing or personal property assistance.

³Federal poverty guidelines represent a household income for different household sizes and locations. The guidelines are not defined for U.S. territories. We calculated guidelines for relevant U.S. territories by multiplying the federal poverty guideline for the 48 contiguous states and the District of Columbia by the same factor that the Small Business Administration used to calculate its minimum income guidelines for U.S. territories.

Appendix III: Sample Questions FEMA Housing Inspectors Ask to Assess Damages in the Remote Inspections Process

Under the Remote Housing Inspection Process, the Federal Emergency Management Agency (FEMA) housing inspectors follow a guided script to ask the applicant about disaster-caused damages to their home. Housing inspectors also ask about the applicant's home type (e.g. number of bedrooms), how many household members reside there, damages to personal property like vehicles, among other questions. FEMA housing inspectors also use this script for hybrid inspections.

Table 3 is a sample list of questions from the guided script that FEMA housing inspectors use during their inspections.¹

Table 3: Sample Questions FEMA Housing Inspectors Ask to Assess Damages in the Remote Inspection Process

Source of Damage	Sample Questions
Flood	<p>Does your home have a basement?</p> <p>Did the interior of your home receive flood waters?</p> <p>Please describe on which floor flood waters rose inside your home.</p> <p>How high did the flood water rise inside your home on this floor?</p>
Wind/Rain	<p>Is your home's roof missing more than quarter of its plywood or sheathing exposing the attic or the inside of your home to the elements?</p> <p>Have more than a quarter of your home's exterior walls been removed to the point they are no longer supporting the next upper floor or roof?</p> <p>Are more than half of your windows missing glass?</p> <p>Were more than half of the kitchen cabinets damaged by wind or rain?</p> <p>Did a tree or trees fall on your home damaging the dwelling?</p>
Earthquake	<p>Looking at your home's exterior walls, is the home leaning more than 4"?</p> <p>Is more than a half of your home's roof covering damaged as a result of the earthquake?</p> <p>Has the home's floor become out of level to the extent the majority of doors no longer close?</p> <p>Does your home have a brick or masonry fireplace, or chimney that may have become damaged due to the earthquake?</p>
Fire	<p>Please describe the damages to your home as a result of the fire.</p>

Source: Federal Emergency Management Agency's (FEMA's) information. | GAO-23-104750

¹Federal Emergency Management Agency, *Remote Housing Inspection Job Aid* (Washington, D.C.: Jan. 15, 2021)

Appendix IV: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

September 14, 2022

Chris P. Currie
Director, Homeland Security and Justice
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Management Response to Draft Report GAO-22-104750, "DISASTER ASSISTANCE: Actions Needed to Strengthen FEMA's Housing Inspections Process"

Dear Mr. Currie:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS or the Department) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

DHS leadership is pleased to note GAO's positive recognition of the Federal Emergency Management Agency's (FEMA's) efforts to improve and streamline its Individuals and Households Program (IHP) housing inspections process, which FEMA applied when taking swift and decisive action to meet the emergent threat of COVID-19 by implementing remote and streamlined inspection policies in March 2020. FEMA remains committed to fulfilling its responsibility to be a good steward of taxpayer funds while providing responsive (e.g., timely and accessible) assistance to disaster survivors, as appropriate.

The draft report contained seven recommendations, including five with which FEMA concurs (Recommendations 2, 3, 5, 6 and 7) and two with which FEMA non-concurs (Recommendations 1 and 4). Enclosed find our detailed response to each recommendation. DHS previously submitted technical comments addressing several accuracy, contextual, and other issues under a separate cover for GAO's consideration.

**Appendix IV: Comments from the Department
of Homeland Security**

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

JIM H CRUMPACKER Digitally signed by JIM H
CRUMPACKER
Date: 2022.09.14 15:03:34 -04'00'

JIM H. CRUMPACKER, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

Enclosure

**Enclosure: Management Response to Recommendations
Contained in GAO-22-104750**

GAO recommended the FEMA Administrator:

Recommendation 1: Develop and implement a policy to consistently report on IHP applicants housing inspections statuses.

Response: Non-concur. FEMA does not believe that detailed information regarding how inspection data is reported is suitable for a policy document. Existing policies and procedures are sufficient. FEMA’s Recovery Reporting and Analytics Division (RAD) currently has procedures that enable FEMA to report different levels of detail in order to meet the specific needs of the audience and data requested, as appropriate. Policy-related information regarding inspections is also included in the “Individual Assistance Program and Policy Guide (IAPPG)” (Version 1.1, dated May 2021), which: (1) details options the FEMA Individual Assistance (IA) Division uses to verify losses; and (2) describes the actions an inspector will take during an onsite inspection.

More specifically, in standard reporting for disasters, FEMA RAD tracks disposition of inspections at a macro level for situational awareness, as follows: (A) issued, (B) pending with an inspector, and (C) completed. FEMA RAD’s database currently includes data to report on the actual disposition of completed inspections, to include: (1) full inspection done; (2) inspection missed by applicant; (3) no contact; and (4) withdrawn.

Further, it’s important to clarify that FEMA already has standards for reporting and the ability to report at higher and lower levels of detail. For example, FEMA’s housing inspection data, provided to GAO on October 1, 2021, and November 12, 2021, had broken the housing inspection data into “done” or “pending” in terms of status to help support the auditor’s request for information, which did not include a request for a disposition of each inspection and whether it was withdrawn, no contact, or missed. Inspections are deemed completed once the contractor has finalized the inspection and returned it to FEMA, and a completed status denotes that the contractor can be reimbursed because it is no longer pending for the work—which helps FEMA track that all work issued to the contractor has been returned as appropriate (work in/work out).

On September 2, 2022 FEMA provided GAO additional information demonstrating how FEMA already has data available to report on IHP applicant housing inspection statuses.

We request that the GAO consider this recommendation resolved and closed.

Recommendation 2: Assess its IHP applicant data to identify and implement ways to improve its recording of eligibility and status codes.

Response: Concur. FEMA’s IA Division will review the current eligibility and status codes to determine if any are duplicative or unnecessary. As calendar year 2022’s peak hurricane season is approaching, the IA Division does not anticipate beginning this effort until early 2023. Once duplicative and unnecessary codes are identified, the IA Division will coordinate with Recovery Technology Programs Division (RTPD) on the timeline for implementing changes in either the National Emergency Management Information System (NEMIS) or its future replacement, the Recovery Cloud Environment’s Individual Recovery Information System (RCE-IRIS). IA will complete its assessment and coordination with RTPD to identify improvements to how it records eligibility and status codes and the anticipated timeline for resulting system related changes by June 30, 2023. Estimated Completion Date (ECD): June 30, 2023.

Recommendation 3: Assess the accuracy of the damage level model for IHP housing inspections and adjust the model as needed.

Response: Concur. FEMA’s IA Division, in coordination with the RAD, is conducting a study to assess the accuracy of the damage level model for IHP Housing Inspections which, once complete, will inform future policy updates regarding damage levels. FEMA IA Division began collecting data for this study in June 2022 and anticipates conclusion by March 31, 2023. Upon conclusion of the study, FEMA IA Division, in coordination with RAD, will analyze the results and determine if any updates will be made to the current damage level model by the end of June 30, 2023. Any necessary updates will then inform additional work necessary to draft, update and finalize formalized policy for damage levels. ECD: June 30, 2023.

Recommendation 4: Take steps to ensure its policies on the use of applicants’ self-assessments are supported by evidence such as assessing the reliability of self-assessment responses to accurately identify eligibility for assistance.

Response: Non-concur. FEMA Recovery Directorate does not utilize self-assessment data provided by applicants during registration to make eligibility decisions for applicants. Rather, Recovery Directorate uses self-assessment information to triage the timing of inspections by prioritizing applicants with the highest reported damage first.

FEMA believes that GAO misconstrued the “Streamlined Inspection Process Individuals and Households Program Interim Policy” (issued in March 2020) by implying that applicants who reported minor damage are being denied assistance. To the contrary, the Interim Policy notes that an applicant self-reporting minor damage who still has the ability to live in their home will not result in a final Agency determination as to whether an applicant is eligible for IHP assistance that requires an inspection. This situation will

only result in an applicant not receiving an automatic inspection. The Interim Policy further outlines the types of assistance for which an applicant who self-reports minor damage would be considered eligible to receive without an inspection and provides the applicant a recourse to receive an inspection if they need one. Therefore, FEMA believes that current policies are sufficient.

We request that the GAO consider this recommendation resolved and closed.

Recommendation 5: Develop and implement a strategy to assess and mitigate fraud risks posed by the remote inspections process.

Response: Concur. In March 2021, FEMA’s IA Division hired a fraud contractor responsible for performing an assessment of FEMA’s existing fraud controls to determine the efficacy of those controls and make recommendations for improvements, as appropriate. This effort will address whether additional fraud controls should be implemented, and FEMA anticipates that the contractor will provide findings and final recommendations by September 2022.

At the time GAO began its review, FEMA’s Recovery Directorate did not have dedicated staff assigned exclusively to fraud-related tasks. Recognizing the value and need for a focused approach to fraud investigation, FEMA’s Office of the Chief Financial Officer approved creation of a new unit within RAD in May 2022 to perform all fraud-related work and coordination (pertaining to IA program), including data analysis and manual fraud case reviews. RAD will begin staffing this unit in the first quarter of fiscal year 2023, and strategy documentation will be completed by October 2023, following the schedule noted below:

Interim Milestones:	ECD:
Begin on-boarding of fraud unit supervisor.	October 31, 2022
Complete staffing of fraud unit.	March 31, 2023
Complete documentation of analysis and case review processes.	October 31, 2023

Overall ECD: October 31, 2023.

Recommendation 6: Develop and implement a plan with time frames and interim milestones for addressing, in collaboration with relevant stakeholders, technology-related challenges in the housing inspections process.

Response: Concur. RTPD has already begun working with the IA Division to prioritize requests for additional functionality to be incorporated in relevant information management systems, such as Automated Construction Estimator (ACE), NEMIS-IA, or its future replacement RCE-IRIS. RTPD will use planning sessions to generate long

Appendix IV: Comments from the Department of Homeland Security

term solutions and to identify appropriate steps to develop and/or update these information management systems. Due to current resource constraints and FEMA Office of the Chief Information Officer’s ongoing efforts to move all systems “into the Cloud,” FEMA RTPD anticipates this will be a multi-year effort and will involve at least two or more systems. Some of the simpler challenges can be resolved in existing systems within the next year, while other more complex challenges will require more intensive research, planning, budgeting, and coordination to achieve in future years. RTPD will complete its plan with identified timeframes and milestones for addressing technology-related challenges in the housing inspections process by September 30, 2023. Further activities are noted as follows:

Interim Milestones:	ECD:
Finalize prioritized list of Housing Inspection Services capability needs.	March 31, 2023
Update system roadmaps for ACE and NEMIS-IA, or RCE-IRIS, as appropriate.	June 30, 2023
Completion of RTPD’s plan to address technology related challenges in the housing inspections process.	September 29, 2023

Overall ECD: September 30, 2023.

Recommendation 7: Develop and implement a strategy to ensure that contracted housing inspectors have the resources needed, including providing official tablets and ensuring contracted housing inspectors have email addresses, to carry out housing inspections and communicate with applicants.

Response: Concur. In Spring 2022, FEMA’s Recovery Directorate developed a strategy to buy equipment (e.g., iPad tablets) for each disaster, once a major declaration is received that requires the use of contracted housing inspectors during the calendar year 2022 hurricane season. Additionally, Recovery’s strategy includes adding a budget line item to purchase iPads in increments of up to 1000 per year based on approved funding. This dual approach allows FEMA to ensure the Housing Inspection Service vendors have the necessary hardware and FEMA-compliant software to meet their contractual obligations (including communicating with applicants and scheduling and performing housing inspections). This additional equipment will ensure contracted housing inspectors have the resources needed to effectively perform inspections. Further, FEMA does not believe that government-issued e-mail addresses are a necessary method for inspectors to communicate with applicants. As such communication is currently performed using text messaging and phone calls.

We request that the GAO consider this recommendation resolved and closed.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Chris P. Currie, (404) 679-1875 or curriec@gao.gov

Staff Acknowledgments

In addition to the contact named above, Aditi Archer (Assistant Director), Su Jin Yon (Analyst-In-Charge), Colette Alexander, Erin Carr, Lilia Chaidez, Ben Crossley, Pamela Davidson, Kelsey Griffiths, Susan Hsu, Tracey King, Janet McKelvey, Jerome (Jerry) Sandau, and Rebecca Shea made significant contributions to this report.

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