



# Responding to Climate Disasters

A DISASTER RECOVERY GUIDEBOOK  
FOR U.S. ARTISANS & MAKER-ENTREPRENEURS



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We would like to thank Jack Heide, FEMA Region 2 Resilience Branch Chief, for the thoughtful review. Comments are not an endorsement by FEMA.

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# Disclaimer

## Updated September 2024

The content provided in this Disaster Recovery Guidebook has been compiled from publicly available sources and has undergone review by technical experts. The recovery resources and guidance outlined are directed to artisan and maker-entrepreneurs in the United States and in accordance with federal regulations, procedures, and available resources as of September 2024. However, it's important to note that disaster recovery programs and associated guidance may undergo modifications. To ensure the continued relevance of the information provided here, we recommend visiting [DisasterAssistance.gov](https://DisasterAssistance.gov), and consulting with your insurance provider for the most up-to-date and accurate guidance.

In light of the increasing frequency and intensity of climate-related disasters, the Federal Emergency Management Agency (FEMA) has introduced significant reforms to its disaster assistance programs, aimed at making aid more accessible and efficient for survivors. These comprehensive updates include new benefits that provide flexible funding, expanded eligibility criteria to reach more people, and a streamlined application process to expedite recovery. These changes will take effect for disasters declared on or after March 22, 2024, and are designed to improve resilience and preparedness among disaster survivors. This guidebook incorporates these updates to ensure that artisans and maker-entrepreneurs have the most current and relevant information to navigate post-disaster recovery effectively.



# About Nest

Nest is a nonprofit supporting the responsible growth and creative engagement of the artisan and maker economy to build a world of greater gender equity and economic inclusion .

In the US, Nest's Makers United program is connecting makers to the community, resources, and opportunities they need to thrive through local and virtual events and programs and a suite of no-cost business development resources.

Recognizing the increasing effects of climate change on small businesses, Nest is committed to working with our partners to provide helpful resources to US makers to strengthen their resiliency.

Learn more about Nest at [buildanest.org](https://buildanest.org)









## About This Guide




This guidebook will walk you through steps to access various forms of financial assistance following a disaster, helping you to rebuild your home, restore your business, and navigate the complex landscape of post-disaster recovery. Whether you're a maker-entrepreneur who operates from a dedicated studio or runs a home-based business, this guidebook is tailored to address your specific needs and help you regain stability in the overwhelming aftermath of a climate-related disaster; the resources provided are intended to facilitate a smoother and more effective recovery process for you. Note that the recovery resources described throughout this guide could also be useful for other types of disaster events in which the federal government offers support.



## DISASTER COSTS

When a disaster strikes, it can impose significant costs to your home and business. In some instances, there may be government or insurance funds to help you recover, but the first step is understanding your exact losses since different programs offer support for different types of costs. Once you've confirmed that you and the rest of your team are safe after a disaster, identify any losses or costs you have sustained in the following categories and note the potential sources of recovery funds for each (explained in further detail throughout this guide):

DISASTER COSTS	DESCRIPTION	POTENTIAL ELIGIBLE RECOVERY FUNDS
 <p>Building Damage to Your Home</p>	Natural disasters can inflict substantial damage to your residence necessitating repairs, replacements, and/or restoration expenses.	<ul style="list-style-type: none"> <li>• Insurance (Homeowner, Flood)</li> <li>• SBA Disaster Loan (Home: Real Property)</li> <li>• FEMA Grant (Individual Assistance)</li> </ul>
 <p>Damage to Business/Studio Property</p>	Damage by disasters can necessitate repairs, replacements, and/or restoration expenses to your external business property or studio/workspace.	<ul style="list-style-type: none"> <li>• SBA Disaster Loan (Business Physical Disaster)</li> <li>• Insurance (Business Property/ Flood)</li> </ul>
 <p>Damage to Business Supplies, Tools, or Equipment</p>	You might rely on supplies, tools, or equipment to undertake your craft or manage your business. Disasters can cause damage or loss of these essential resources, requiring repairs or replacements. Furniture and inventory may also be affected.	<ul style="list-style-type: none"> <li>• SBA Disaster Loan (Business Physical Disaster)</li> <li>• SBA Disaster Loan (Home: Personal Property)</li> <li>• Insurance (Business Owner's Policy / Flood/ Renters)</li> </ul>
 <p>Damage to Vehicles</p>	Damage to vehicles could be a significant cost if repairs or replacement is needed, as well as the costs of a car rental if you need transportation while waiting for repairs.	<ul style="list-style-type: none"> <li>• Insurance (Commercial Auto, Personal Car)</li> <li>• FEMA Grant (Individual Assistance)</li> <li>• SBA Disaster Loan (Home: Personal Property)</li> </ul>

DISASTER COSTS	DESCRIPTION	POTENTIAL ELIGIBLE RECOVERY FUNDS
 <p>Evacuation Expenses</p>	<p>In certain situations, evacuation may have been necessary for the personal safety of you and your team. Evacuation costs may include travel expenses, accommodation, and temporary living arrangements.</p>	<ul style="list-style-type: none"> <li>• Insurance (Homeowner/Renter, Flood)</li> <li>• FEMA Grant (Individual Assistance)</li> </ul>
 <p>Temporary Lodging Expenses</p>	<p>If your home becomes uninhabitable and it is where you do your work, you may need temporary lodging that can accommodate your craft. You can apply for assistance designed to cover temporary lodging, but be sure to consider your business needs.</p>	<ul style="list-style-type: none"> <li>• Insurance (Homeowner/Renter, Flood)</li> <li>• FEMA Grant (Individual Assistance) now includes expanded benefits for flexible funding (see page 18 for more info)</li> <li>• FEMA (Lodging Expense Reimbursement)</li> </ul>
 <p>Lost Business Revenue</p>	<p>In addition to the direct costs mentioned above, disasters can also disrupt business operations and lead to a drop in revenue if you are unable to operate. Reduced customer demand, supply chain interruptions, and/or the inability to produce or deliver goods and services can all contribute to financial losses.</p>	<ul style="list-style-type: none"> <li>• SBA Disaster Loan (Economic Injury Disaster Loan)</li> <li>• Insurance (Business Interruption)</li> </ul>

By understanding the disaster costs you may have encountered and being proactive in seeking assistance, you can rebuild and regain stability. Thinking through these costs and damages and how to recover might feel overwhelming - but don't worry, there are resources to help you. This guide will walk you through how to access these resources and point you to steps that you can take today as you navigate the path to recovery.

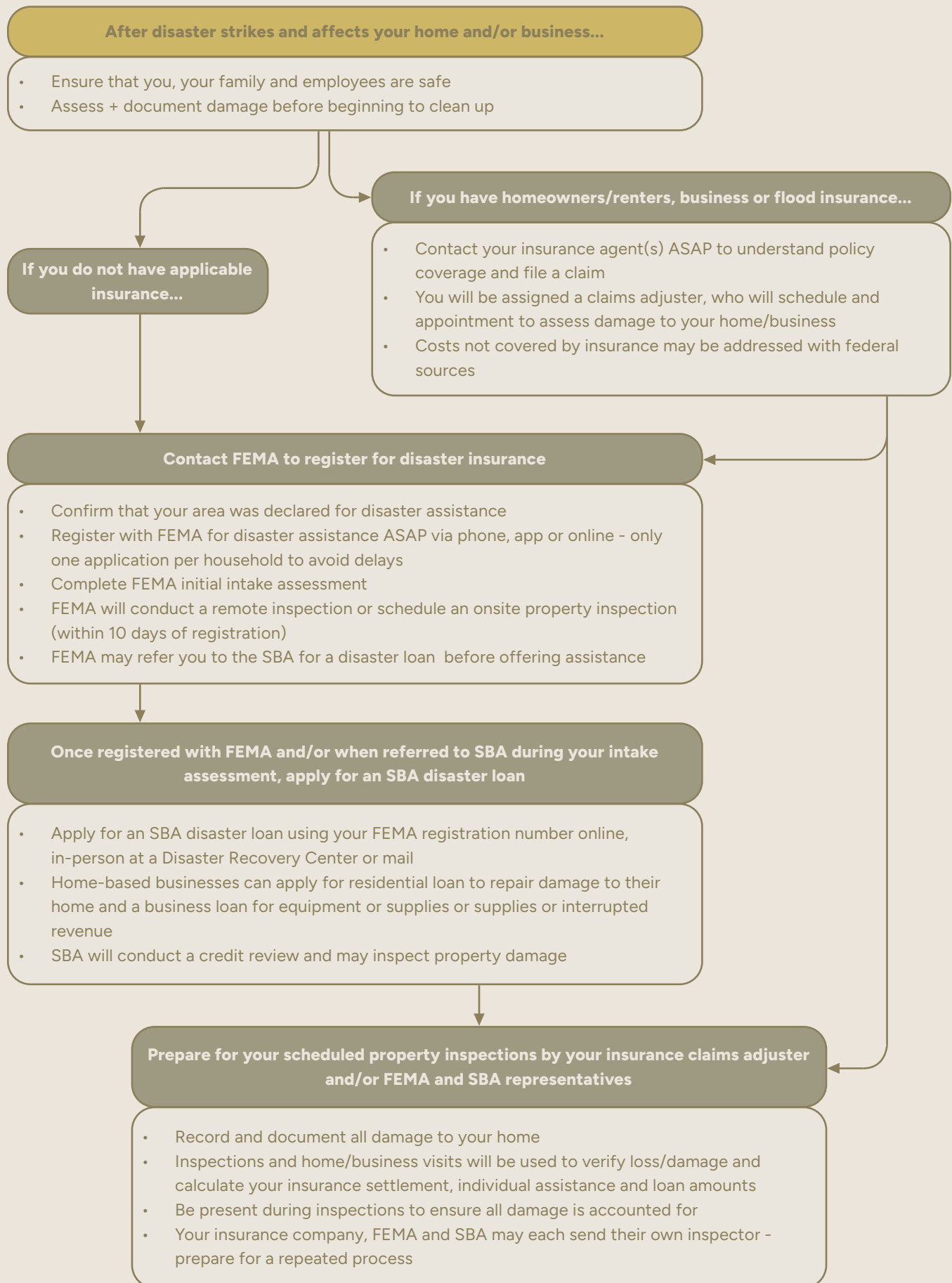




# An Overview of Funding Sources for Recovery

As you prepare to recover from disaster, you can look to three main funding sources for financial assistance – the Federal Emergency Management Agency (FEMA) grants, the Small Business Administration (SBA) disaster loans, and insurance. The first step in accessing federal disaster assistance is to register at [DisasterAssistance.gov](https://www.disasterassistance.gov). This will help you begin to navigate some of the programs available to you.

Note that insurance is only applicable if you previously purchased a homeowners, renters, business, and/or flood insurance policy. The flowchart below outlines the steps that you can take to access these funds, which are explained in more detail in later sections of this guide, on the pages referenced in each step.





After making sure you and your family are safe, consider the following tips, which are applicable for any of the funding sources you may access for disaster recovery:

**1. Document and record all damage before beginning to clean up.** Assess damage to your workspace, inventory, equipment, and personal property.

Take photos and make a detailed inventory of all the items affected by the disaster. Include as much information as you have/remember while drafting this inventory - such as brand, type/model, purchase date, and price. Record notes and photos of specific damage, including:

- The exterior of your home and/or business
  - windows, doors, and roof
- Issues with electricity, gas, heat, plumbing, etc.
- The interior - floors, walls, and ceiling
- Safe access to and from the home
- Issues with the septic and sewer systems
- Issues with water supply or well (if applicable)
- Personal property damage (appliances, furniture, vehicles, etc.)
- Collect receipts for any evacuation and temporary living expenses

The [Home Inventory App](#) by the National Association of Insurance Commissioners (NAIC) can help facilitate this process. Download The Home Inventory App from the app store to develop an inventory of your disaster impacted property.

The Federal Emergency Management Agency (FEMA) and most insurance companies require you to list each lost/damaged item, so this documentation will help ensure that your claim is filed and processed as comprehensively and quickly as possible.



#### HELPFUL TIP

Before and after photos of your home and workspace are the highest standard, so look through recent personal photos from your camera roll or social media to help put together a complete inventory.



**2.** While documenting damage and preparing for inspection:

- Make sure to describe your damage in as much detail as possible. **Photographs and professional construction estimates when relevant will help make your case** for receiving the recovery funds you deserve.
- Wherever possible, in your application and inspection, **make clear and direct links between the damage done to homes and the disaster event itself.**
- Wherever possible, submit professional repair estimates to validate your application.

**3.** Prepare for (multiple) property inspections  
- each agency will schedule and send their own

inspector so **be prepared for multiple visits.** Be physically present during each inspection to ensure all damage is accounted for. Share your documentation and lists with each inspector that comes to your property.

**4. Be prepared to appeal and submit requests for supplemental funds.** Consider spending extra time pursuing an appeal, especially if your application has been denied due to lack of documentation. **The appeals and negotiation processes can be time consuming,** but, is often necessary to get all the funds to which you are entitled; don't give up until you receive the assistance you need and deserve!





# Navigating Private Disaster Insurance

If you previously purchased homeowners, renters, business, or flood insurance, your insurance coverage can play a vital role in your post-disaster recovery. Many federal recovery funds cannot assist with disaster losses that are covered by insurance, so if you are enrolled, start your recovery process by filing a claim with your insurer.



## HELPFUL TIP



Note that a standard homeowners insurance policy will typically cover damage from wind and wildfire, but not floods. To cover flood damage, you need to have previously purchased a separate flood policy. Most flood policies are sold and serviced by a private firm but fall under the National Flood Insurance Program (NFIP), managed by the FEMA. Find more information at [floodsmart.gov](https://www.floodsmart.gov).



**1.** Contact your insurance company as soon as possible! Your exact payout will depend on the specifics of your policy; some policies cover additional costs such as temporary living expenses or loss of income to your business. Some policies have limitations on the type of damage covered. Contact your insurance agent or insurance company for assistance in determining what is included in your policy. Use the following questions to guide your conversation:

- What losses are covered under my policy?
- Are there any emergency services or temporary repairs that will be reimbursed to prevent further damage?
- How long do I have to file my claims? About how long will it take for my claims to be processed?
- What documents or evidence should I gather to support my claim? Do I need to provide photographs, inventory lists, or receipts?
- Are there any sub-limits or exclusions that may affect my claim for specific items or types of damage?
- How do I submit my claim?
- When can I expect an insurance adjuster to visit my property to assess the damage?
- Can I begin the cleanup and restoration process before the insurance adjuster comes to assess the damage?
- How long will it take to receive a claim settlement offer after the assessment?
- How does the claims process work for reimbursement of expenses related to the disaster, such as temporary accommodations and work space, storage, or inventory rentals costs?

- Will the insurance company cover the cost of temporary housing or studio/workspace while repairs are being made?
- Are there any specific contractors or vendors I should use for repairs and replacements? Are there any restrictions on using my preferred contractors?
- What expenses should I document and keep records of for reimbursement? Are there any specific forms or formats I need to use?
- Can I submit multiple repair estimates to ensure fair compensation for the damage?
- Can I appeal the claim settlement offer if I believe it does not adequately cover my losses? What does that process look like?
- What is the best way to stay in communication with the insurance company throughout the claims process?

Remember to take notes during the conversation with your insurance agent and ask for clarification on any terms or processes that you don't understand. It's important to gather as much information as possible to navigate the post-disaster insurance claim effectively.

**2.** Your insurance company will assign you a claims adjuster, who will schedule an appointment to assess damage to your home/business. Your insurer will use this visit, as well as the detailed inventory and list of damage that you prepared, to verify losses and damage and calculate your insurance settlement.

**3.** Review the cost estimate of damage and Proof of Loss form sent to you following the inspection. If you agree with the estimate of damage and suggested amount, sign and submit the form to your insurance company. If not, negotiate with your adjuster and/or insurer.

Negotiations or appeals to your flood insurance estimate should be directed to FEMA.

If your insurance company agrees with your Proof of Loss and estimate, the claim will be settled.

**4.** If you have a mortgage or loan on your property, typically insurance proceeds are paid to both you and your lender. You will need to work with your lender, who may only release funds as repairs are completed.

**5.** If you run into problems, reach out to a support group, such as [United Policyholders](#), or the [Office of the Flood Insurance Advocate](#) for issues with your insurance claims process.



#### HELPFUL TIP

Be sure to share all your documentation with the assessor. You can walk with the inspector to ensure that all the damage you faced is included in their inspection.

If you need an advance payment on your claim, discuss this during the visit.





# Navigating Federal Disaster Assistance Programs

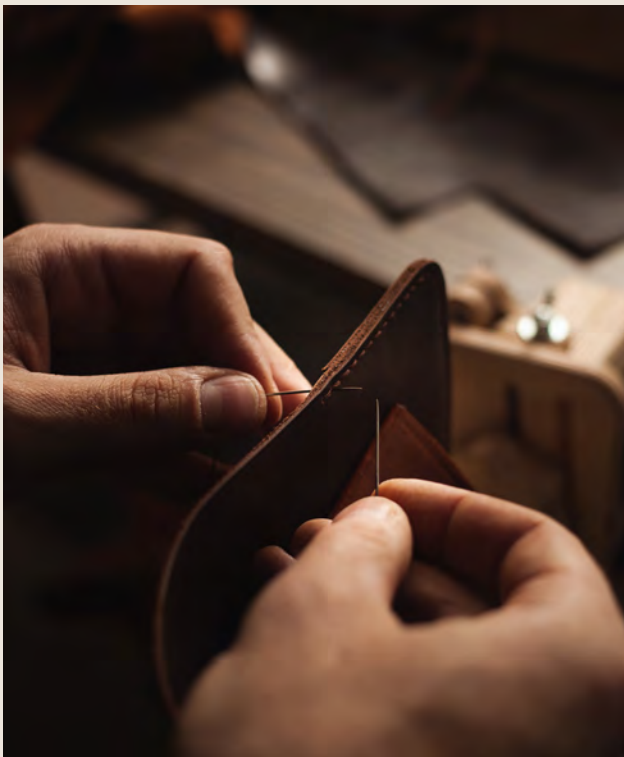
Beyond the federal assistance described in this section, additional financial aid may be available through your state or local government, most likely with income eligibility guidelines, in the future. Keep an eye out for these resources via your local or state government's Chamber of Commerce and/or state-specific Offices of Commercial and Business Affairs or Offices of Community Engagement.

FEMA has implemented a new, simplified application process to ensure quicker and more efficient access to disaster assistance. This streamlined approach significantly reduces the time and effort required for disaster survivors to apply for aid. Key improvements include a more user-friendly [online application portal](#), the integration of advanced technology to expedite the verification and approval process, and enhanced coordination with other federal and state agencies to minimize paperwork and streamline support. These changes aim to eliminate common barriers and delays in the application process, allowing survivors to receive the necessary assistance more promptly and effectively. This new process is part of FEMA's ongoing commitment to improving resilience and preparedness in the face of increasing extreme weather events and will be in effect for disasters declared on or after March 22, 2024.

*\*Note that all amounts described in this section are accurate at time of publication but may be subject to change.*

# FEMA Individual Assistance Grants

FEMA Individual Assistance Grants are typically made available in the aftermath of a major disaster declaration, which are issued by the President of the United States. If you and your business were impacted by a disaster, [search your location](#) to see if a disaster has been declared in your area to determine if you are eligible to apply for a grant from FEMA. Note that the timing for when FEMA declares eligibility can vary – be sure to continually check the agency website in the weeks/months after the disaster to stay up to date on assistance availability. Also note that smaller, localized events may not qualify for a disaster declaration and then FEMA aid will not be available.



FEMA's Individuals and Households Program (IHP) primarily focuses on providing immediate relief, temporary housing, home repairs, and other essential needs to those who are uninsured or underinsured; while they will not compensate for all losses to your business and home caused by a disaster, their grant-based assistance programs are intended to help you meet your basic needs and supplement disaster recovery efforts. FEMA has introduced significant changes to its Individual Assistance Program to better support disaster survivors. The maximum grant amount has been increased to \$40,000 per eligible household, with an average grant payment now around \$6,500. These grants provide flexible funding to cover a broader range of needs, including temporary housing, home repairs, and other essential expenses. Additionally, eligibility criteria have been expanded to reach more people, ensuring that more households can receive aid. The application process has also been simplified to expedite recovery and reduce the burden on survivors. These changes will take effect for disasters declared on or after March 22, 2024, aiming to make disaster aid more accessible and efficient.

**1.** If your county was declared for FEMA assistance apply via:

- FEMA mobile app;
- 800-621-FEMA;
- or online at [DisasterAssistance.gov](https://DisasterAssistance.gov)

**2.** After applying, you will receive a phone call to conduct an initial intake assessment.

Be aware this call may come from an unknown number; a FEMA inspector will attempt to contact you up to three times over three days before locking your case.

**3.** During your intake call, FEMA will ask you about the level of damage that the disaster has caused to your home to triage their inspection. They may ask you something like:  
Please select the description that best matches your situation:

- I had minor damage, but I am able to live in my home.
- 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.
- I had damage to my home or personal property that requires major repairs. I am not able to live in my home.
- My home was completely destroyed.
- Unknown

FEMA considers a habitable home as one that is safe, sanitary, functional, and presents no disaster-caused hazards or threats to its occupants. Rely on your personal experience to determine whether you are able to stay in your home, as well FEMA’s determination of



habitability:

- The exterior is structurally sound, to include windows, doors, and roof.
- The electricity, gas, heat, plumbing, etc. are functional.
- The interior is structurally sound, to include floors, walls, and ceiling.
- There is safe access to and from the home.
- The septic and sewer systems are functioning properly.
- The water supply or well (if applicable) is functional.

Be sure to respond carefully and accurately, using the information below to assist you; your answer will affect the type and amount of assistance you may be able to receive.

If your home was damaged by the disaster and you are unsure whether it is safe to inhabit...	Report moderate to major damage to FEMA. In your application and interview, tell FEMA if you feel your home is not safe to live in due to damage from the disaster.  An onsite inspection will be scheduled, which you can prepare documentation for.
If your home was damaged by the disaster but still safe to inhabit...	Report that you can live in your home and that it only has minor damage.  A remote inspection (via phone call) may begin on the spot or in a follow-up call. Initial FEMA assistance will be based on your answers.

**4.** Prior to your inspection, prepare the following information - feel free to save/print the table below to fill out and guide your preparation.

Damage to your home, listed out in detail and in order of severity	
Type of Residence (single-family house, townhouse, mobile home, etc.)	
Foundation type	
Number of stories	
Utilities (on, off, partial)	

**5.** Within 60 days of receiving a decision letter, appeal any decision or award you do not understand or agree with. An appeal is a written request to FEMA to review your file again, and an opportunity to provide new or additional information not previously submitted that may affect the decision. You might appeal decisions such as: the amount or type of assistance provided, late applications, requests to return money, or a denial of assistance. If the aid that you are awarded is not sufficient to cover the disaster costs you are facing, submit an appeal. Make sure that your appeal letter includes the following:

1. Written explanation of why you think the decision about the amount or type of assistance you received is incorrect.
2. Identification information:
  - Full name
  - FEMA application number
  - Disaster number
  - Address of the damaged property and your current mailing address
  - Your date of birth
  - Your signature
  - A notary stamp or seal OR a statement that says, "I hereby declare under penalty of perjury that the foregoing is true and correct."
  - Supporting documents, such as:
    - » Contractor estimates or denial letters from insurance companies with your appeal request
    - » Photos and detailed descriptions of your home and business inventory, before and after the storm if possible
    - » Receipts for repair expenses and contractor estimates, to help illustrate your ongoing unmet needs.





# Small Business Administration (SBA) Disaster Loans

SBA provides low-interest disaster loans to help businesses and homeowners recover from declared disasters. You must register with FEMA (and use your designated registration number) to access these loans - you may even be referred directly to the SBA during initial intake with FEMA to apply for a disaster loan for your home or business recovery.



Applications for SBA disaster loans open soon after a disaster declaration is made by the federal government and the initial application period typically lasts for several months,

ranging from 60 to 180 days from the date of the disaster declaration. You must be in an SBA declared disaster area to be eligible for SBA disaster assistance. Generally, borrowers pay equal monthly installments of principal and interest, beginning twelve months from the date of the loan and usually have loan maturities of up to 30 years (to pay back the installment loan in full). In some cases, SBA can refinance all or part of a previous mortgage when the applicant does not have credit available elsewhere and has suffered substantial disaster damage not covered by insurance.



LOAN TYPE	ELIGIBILITY
 <p>Home: Real Property</p>	<p><b>Who:</b> Homeowners with uninsured or underinsured loss located in a declared disaster area (no secondary homes or vacation properties*)</p> <p><i>Note: If you have a home-based business and sustain damage to your home, apply for this residential loan and not a business loan as the terms may be better.</i></p> <p><b>What:</b> Repairs or replacements to primary residence (no upgrades or additions, unless required by local building codes). Additional funds can be requested to cover the cost of improvements to protect the property against future damage (elevation, sump pumps, etc.).</p> <p>Examples of relevant repairs...</p> <ul style="list-style-type: none"> <li>• walls or flooring of your home</li> <li>• utilities, like heating/AC, ventilation</li> <li>• outdoor sheds or storage</li> </ul>
 <p>Home: Personal Property</p>	<p><b>Who:</b> Homeowners, renters, and personal property owners located in a declared disaster area</p> <p><b>What:</b> Eligible items include furniture, appliances, clothing, and automobiles damaged or lost in a disaster. Loans for luxury items with functional use, such as antiques and rare artwork, are limited to the cost of an ordinary item meeting the same functional purpose</p>

*\*While secondary homes or vacation properties are not eligible for home loans, qualified rental properties may be eligible for assistance under SBA's business physical disaster loan program.*

LOAN TYPE	ELIGIBILITY
 <p>Business Physical Disaster Loans</p>	<p><b>Who:</b> A business of any size or private nonprofit organization that is located in a declared disaster area and have incurred damage during the disaster</p> <p><b>What:</b> for the repair or replacement of real property, machinery, equipment, fixtures, inventory, and leasehold improvements (no upgrades or additions, unless required by local building codes).</p> <p><i>Note: This loan can be used for a non-home business building or studio that sustains damage OR it can be used to cover business-related contents inside a home.</i></p> <p>Funds can cover disaster losses not fully covered by insurance; if you are required to apply insurance proceeds to an outstanding mortgage on the damaged property, you can include that amount in your disaster loan application.</p> <p>Funds to cover the cost of improvements to protect their property against future damage.</p> <p>Examples of relevant repairs/replacement...</p> <ul style="list-style-type: none"> <li>• damage to a non-home business building or studio</li> <li>• craft-specific equipment and tools like pottery wheels, looms, woodworking tools</li> <li>• raw materials like fabrics, beads, clay</li> <li>• furniture or tech equipment in your home office</li> </ul>
 <p>Economic Injury Disaster Loans</p>	<p><b>Who:</b> A small business, small agricultural cooperative, or a private nonprofit organization located in a declared disaster area (regardless of whether the business suffered any property damage) and unable to obtain credit elsewhere.</p> <p><b>What:</b> Necessary working capital to help small businesses impacted by a disaster survive until normal operations resume.</p> <p>For example...</p> <ul style="list-style-type: none"> <li>• rental or loan payments for studio space or warehouse rental/ utilities fees</li> <li>• continuation of health care benefits for employees</li> <li>• fixed debt payments</li> </ul>

	<b>HOME: REAL PROPERTY</b>	<b>HOME: PERSONAL PROPERTY</b>	<b>BUSINESS PHYSICAL DISASTER LOANS</b>	<b>ECONOMIC INJURY DISASTER LOANS</b>
<b>Description</b>	to repair or replace the homeowner's primary residence to its pre-disaster condition	to repair or replace personal property owned by the disaster survivor	to replace damaged business property – both buildings and equipment/ supplies/inventory – or restore its pre-disaster condition.	to help meet financial obligations and operating expenses that could have been met had the disaster not occurred
<b>Loan amount + interest rates</b>	up to \$500,000  If hazard mitigation investments are made to reduce future losses, you may be eligible for up to a 20% increase in the loan amount.	up to \$100,000	up to \$2,000,000  If mitigation investments are made, you may be eligible for up to a 20% loan amount increase above the real estate damage.	up to \$500,000  If hazard mitigation investments are made to reduce future losses, you may be eligible for up to a 20% increase in the loan amount.
<b>Collateral requirements</b>	Required to the extent possible for loans over \$25,000 for Presidential declarations; other kinds of declarations may have different requirements (real estate collateral is preferred)	If the owner has other assets of value equal to or greater than the amount of the loan, loans of \$200,000 or less will not require the owner's primary residence to be used as collateral.	Required to the extent possible for loans over \$25,000 for Presidential declarations; other kinds of declarations may have different requirements (real estate collateral is preferred)	If the owner has other assets of value equal to or greater than the amount of the loan, loans of \$200,000 or less will not require the owner's primary residence to be used as collateral.



In addition to the disaster loan types described above, non-disaster SBA programs can be leveraged during recovery! Explore the various loans and programs and the Small Business Administration offers [here](#).

HELPFUL TIP



Are you a home-based business?

When applying to access FEMA Individual Assistance, be sure to note the use of these funds for home damage recovery specifically – including the recovery of tools and specialized equipment that is required for your home-based craft work. Businesses are ineligible for assistance through FEMA Individual Assistance if they register as such they will be directed to the SBA Business Administration for business disaster loans so this is important framing for your application.

When applying for disaster loans through the SBA, apply for a home loan first, in order to take advantage of their relatively lower interest rates as compared to business disaster loans. If your business had expensive tools/equipment and damage recovery costs exceed the residential rebuilding loan caps (\$200,000 for home repair and \$40,000 for contents), consider additionally applying for Business Physical and Economic Injury loans.

## **I CREATE GOODS AND RUN MY BUSINESS FROM HOME - SHOULD I APPLY FOR RESIDENTIAL DISASTER LOAN OR BUSINESS DISASTER LOAN?**

Home-based businesses that have faced damage to their home should apply for a home loan first, which have lower interest rates than business disaster loans. If your business had expensive tools/equipment and damage recovery costs exceed the residential rebuilding loan caps (\$200,000 for home repair and \$40,000 for contents), consider additionally applying for Business Physical and Economic Injury loans.

## **I CREATE GOODS AND RUN MY BUSINESS FROM HOME - CAN I APPLY FOR FEMA INDIVIDUAL ASSISTANCE?**

Home-based businesses that have faced damage to their residential property – even if they work in it – can apply to access FEMA financial assistance for repairs to their home. If you create goods and run your business from home, be sure to note the use of these funds for home damage recovery specifically. If your studio or workspace is damaged but not located within your home, you are not eligible for assistance through FEMA Individual Assistance as a business and instead should apply for SBA disaster loan. Be sure to still register (specify your status as self-employed if accurate) with FEMA for disaster assistance, where you will likely be referred to the Small Business Administration for assistance via business disaster loans.

## **HOW DOES THE SBA VALIDATE PHYSICAL DAMAGES FOR LOAN DISBURSEMENT?**

For physical damage loans, the SBA sends an inspector to validate the damages before making the first disbursement. This verification process ensures that the location itself has experienced damage, and it applies to both homes and businesses. However, for working capital or business interruption loans, the SBA does not require the same inspection process.

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## HOW DOES THE REFERRAL PROCESS WORK BETWEEN FEMA AND THE SMALL BUSINESS ADMINISTRATION FOR MAKER-ENTREPRENEURS?

When you register with FEMA for disaster assistance and indicate personal losses to your home or personal property, you may receive an SBA referral for a loan. FEMA uses household size and income to determine eligibility for FEMA grants and referrals to SBA loans; if your household income and size exceeds the minimum threshold to access FEMA grants, you will be referred to the SBA to be evaluated for a loan. **PLEASE NOTE: If you mention that some of your income is derived from self-employment, FEMA will automatically refer you to the SBA for a business loan.**

## I DON'T REPORT BUSINESS INCOME AND/OR HAVE NOT FILED TAXES FOR MY BUSINESS - AM I STILL ELIGIBLE FOR A DISASTER LOAN THROUGH THE SBA?

The SBA requires businesses to be in compliance with tax laws and usually validates the legitimacy and repayment ability of a business using information from the IRS; if you haven't reported business income or are not in compliance, it may affect your eligibility for a loan. However, if you only recently opened your business and have yet to file taxes, the SBA can often use alternative ways to establish your business's legitimacy, such as checking state-level agencies for registration or verifying credit history through private commercial data sources.

## IF I AM APPROVED FOR AN SBA LOAN, DO I HAVE TO ACCEPT IT?

No - if you are determined to be eligible for a disaster loan, you are under no obligation to accept it. However, if you do qualify for an SBA loan and you choose not to accept it, additional resources (through FEMA's Other Needs Assistance program) may not be available to you for disaster recovery.



## CAN I USE MULTIPLE SOURCES OF FUNDING TO ADDRESS THE SAME LOSS?

Duplication of benefits refers to receiving additional assistance for the same loss – if you receive other forms of assistance for the same loss covered by your SBA loan or a FEMA grant, you must report it to the appropriate agency. For example, federal assistance cannot be provided for the same loss already covered by insurance; you may need to file a claim with your insurance provider and submit the insurance settlement or denial letter to FEMA or SBA to determine your eligibility for some forms of federal assistance. The relevant agency will review the various sources of assistance you received and determine if any loss recovery funds were duplicated by federal assistance. In some cases, this may result in adjustments to the loan amount or require repayment of the duplicated portion. Proper documentation and communication with SBA and FEMA are crucial to resolving duplication of benefits issues.

**HELPFUL TIP:** It will be necessary to obtain assistance from multiple programs to cover the range of disaster costs you may experience, especially given the limited funding range of FEMA awards. To ensure you do not jeopardize your assistance when approaching other grant or relief programs, it must always be for things that are NOT being covered by FEMA. Consider seeking additional recovery funds for your business items or other costs FEMA or SBA did not cover. Please review Nest's tracker [linked here](#) for additional programs that could be beneficial.





**DO I NEED TO WAIT TO HEAR BACK FROM MY INSURANCE BEFORE APPLYING FOR RECOVERY FUNDS THROUGH FEDERAL AGENCIES LIKE FEMA AND SBA?**

You can apply for federal assistance immediately after a disaster is declared. However, as explained above, federal assistance cannot be provided for the same loss already covered by insurance; costs covered by insurance cannot be requested from FEMA or SBA through grants or loans. If you are covered by an insurance policy, we recommend starting your recovery process by filing a claim with your insurer to know what losses are not covered/you are in need of federal assistance for.

**BASED ON MY DECISION LETTER, I DID NOT RECEIVE ENOUGH MONEY THAT I EXPECTED/ NEED FOR THE RECOVERY OF MY BUSINESS - ARE THERE ANY OTHER TOOLS OR RESOURCES THAT CAN HELP ME NAVIGATE THE APPEALS PROCESS?**

Yes! The appeals and negotiation processes are normal and necessary - within 60 days of receiving a decision letter, appeal any decision or award you do not understand or agree with. SBP USA is a national disaster recovery and resilience organization that offers webinars, guides, and other tools to help disaster survivors access more funding to support their immediate and long-term needs of homeowners. If you are a home-based business, click [here](#) to learn more about their FEMA Appeals Program. Advocates for Disaster Justice also provides resources and advice for the appeals and general disaster recovery process that can be accessed [here](#).

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**MY PHONE/INTERNET IS DOWN AND I MISSED CALLS FROM FEMA FOR MY INITIAL INTAKE ASSESSMENT/INSPECTION. HOW CAN I ENSURE THAT MY CASE IS STILL FILED? IS THERE ANY WAY TO UNLOCK MY CASE IF I MISS THREE CALLS?**

In situations where phone and internet services are unreliable or disrupted, call FEMA's helpline whenever you are in areas with cell service, ideally a couple of times per week. By reaching out to FEMA and asking if anyone has tried calling you, you can stay actively engaged in the process and help FEMA understand that you are available for communication. This can reduce the chances of your case being closed prematurely. If you missed three calls from the inspector and FEMA locks your case, you may need to appeal for another inspection of your home. In your appeal, be sure to explain the circumstances, such as phone or internet outages immediately after the disaster, which may have caused you to miss the calls. It is important to note these challenges in your appeal to provide context to the situation.

**WHAT ARE THE NEW CHANGES TO FEMA'S INDIVIDUAL ASSISTANCE PROGRAM?**

1. **Increased Maximum Grant Amounts:** The maximum grant amount has been increased to \$40,000 per eligible household, with an average grant payment now around \$6,500.
2. **Flexible Funding:** The new benefits provide more flexible funding to cover a broader range of needs, including temporary housing, home repairs, travel costs, accommodations for extended stays, pet boarding, and transportation for individuals with disabilities.
3. **Expanded Eligibility:** Eligibility criteria have been expanded to reach more people, ensuring that a larger number of households can receive the necessary aid.
4. **Simplified Application Process:** The application process has been streamlined to make it quicker and



more efficient. This includes a user-friendly online portal, the integration of advanced technology to expedite verification and approval, and better coordination with other federal and state agencies.

## **HOW CAN I ENSURE QUICKER ACCESS TO FUNDS?**

1. Register Early: As soon as your area is declared a disaster zone, register for assistance at [DisasterAssistance.gov](https://DisasterAssistance.gov), via the FEMA mobile app, or by calling 800-621-FEMA (3362).

2. Prepare Documentation: Have all necessary documentation ready, including identification, proof of residence, insurance information, and details of the damage or losses incurred.

3. Accurate Information: Provide accurate and detailed information during the application process. Inaccurate or incomplete information can delay the processing of your application.

4. Stay Informed: Keep track of your application status through the online portal and be responsive to any requests for additional information or inspections.

5. Appeals: If you receive a decision that you do not agree with, you have the right to appeal within 60 days. Make sure your appeal includes all relevant supporting documents and a clear explanation of why the decision should be reconsidered.

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## Other Possible Sources of Post Disaster Support

As you navigate the resources described in this guide, you may encounter need for additional funding or tools for the recovery of your creative business. [The database linked here](#) hosts information about a selection of resources and funding opportunities that are available for specific groups within the artisan/maker community. Opportunities are organized to track eligibility requirements, such as geography, craft medium, or targeted communities. These opportunities are categorized and sorted to present relevant information about the funding eligibility requirements, application access, and contact information.



## TAX RELIEF FOR DISASTER RECOVERY

In addition to disaster assistance through federal agencies, insurance, and nongovernmental support, the Internal Revenue Service (IRS) offers avenues for tax relief for those affected by federally declared disasters. Confirm this information with the IRS or a tax professional.

- If you live or run your business in a federally declared disaster area, the IRS provides **tax-filing extensions**, giving you more time to file your return and pay your taxes. In most cases, this extension is automatic, meaning there's no need to formally request it.
- **Claiming your losses after a disaster** (using a 1040 or 1040-X form) in order to deduct casualty losses on your federal income tax return and access your **tax refund faster** for financial relief. If your property (including your home, household items, vehicles, or income-producing personal or business property) suffers damage, destruction, or loss due to a disaster, you may be eligible to deduct these casualty losses on your federal income tax return.
- If you are an employer affected by a qualified disaster, you may be eligible for the **Employee Retention Credit** (using form 5884-A). This credit is designed for employers who continued to pay or incur wages even after their business became inoperable due to damage from a qualifying major disaster and allows

Learn more about how your disaster might impact your taxes by utilizing resources from the [Taxpayer Advocate Service \(TAS\)](#). TAS is an independent organization within the IRS that offers a variety of tax-related tools, such as updated tax information related to recent

disasters, tips for documenting financial assets before a disaster strikes, and reconstructing tax records if they were lost or destroyed. You can also call the IRS disaster hotline at 1-866-562-5227.





# Conclusion

While addressing disaster damages can be a financially, physically, and emotionally overwhelming task, we are here to help! You have shown strength and grace throughout your career as an artisan and maker-entrepreneur, and navigating recovery is another obstacle in this journey that you can overcome - especially with the help of the resources described in this guide. As you rebuild, consider taking proactive steps towards disaster resilience to strengthen your business' ability to respond to future climate impacts, such as identifying hazards, assessing vulnerabilities, and implementing preparedness measures.

We at Nest, along with the federal agencies, nonprofits, foundations, and other post-disaster resource providers mentioned throughout this guide, are dedicated to helping you navigate the complexities of disaster recovery and build a more resilient future. Use this database to access additional tools, funding sources, and more organizations that are committed to supporting you in your recovery.

Together, we can weather any storm and build a brighter, more resilient future for our artisan and maker community. Stay strong, stay prepared, and stay resilient!