



The
Road Home

BUILDING A SAFER, STRONGER, SMARTER LOUISIANA

Determining a Compensation Grant

What factors are considered when determining the compensation grant award?

The Road Home compensation grant is based upon the following factors:

- Pre-storm value of your home
- Estimated cost of damage
- If you qualify for assistance to elevate your home
- Compensation received from other sources for structural damage to your home, including:
 - Homeowner's insurance proceeds
 - Flood insurance proceeds
 - FEMA assistance for structural repair

How is the compensation grant determined?

The formula for determining your *Road Home* award differs under each option:

Option 1: Repair/rebuild your damaged property: The compensation grant is the lesser of the following:

Pre-storm value minus other assistance provided (insurance and FEMA proceeds)

OR

Estimated cost of damage minus other assistance provided (insurance and FEMA proceeds)

Option 2: Relocate as a homeowner in Louisiana: The compensation grant depends on the extent of damage determined by *The Road Home* evaluation:

- If damage to your home is estimated at *less than 51% known as a Type 2*, the compensation grant is the lesser of the pre-storm value minus other assistance provided or the estimated cost of damage minus other assistance provided (i.e. the same formula for Option 1 applies.)
- If damage to your home is estimated at *51% or more known as a Type 1*, the compensation grant is the pre-storm value minus other assistance provided.

Option 3: Sell and move outside of Louisiana: The compensation grant depends on the extent of damage determined by *The Road Home* evaluation. However, under

option 3, a penalty is assessed unless the owner applicant was 65 or older as of December 31, 2005 or the owner applicant received Permanent Change of Station (PCS) orders from the military or Coast Guard to move out of Louisiana.

Why does an applicant receive a penalty for not having insurance?

Under Options 1, 2 and 3, a 30% penalty on the compensation grant is required if the applicant did not have the required insurance coverage at the time of the storm. All applicants are required to have carried homeowner's insurance at the time of the storm. Applicants living in the flood zone are required to have carried flood insurance at the time of the storm. An exception applies if the applicant's community did not participate in the National Flood Insurance Program (NFIP).

What is a duplication of benefit?

The U.S. Government forbids two or more federal agencies to provide compensation to cover the same loss. This is known as a duplication of benefit and is why FEMA and insurance proceeds must be deducted to determine *The Road Home* grant.