HARP Reimbursement Policy

2026

Version 1.0

DIVISION OF
Disaster Recovery
& Mitigation

CONTENTS

Version History and Version Policy

The version history of the policy manual is tracked in the table below, with notes for each change. The dates of each publication are also tracked in the table.

The State will publish a new version after making substantive changes that reflect a policy change. The updated policy manual will be assigned a new primary version number such as 2.0, 3.0, etc.

After making non-substantial changes, such as minor wording and editing or clarification of existing policy that do not affect the interpretation or applicability of the policy, the State will publish a version of the document with a sequential number increase behind the primary version number such as 2.1, 2.2, etc.

Amendments made to policy may go into effect on the date of the revision or may be applied retroactively, depending on the applicant pipeline and status of applicants in the program intake and recovery process. Whether a policy will be applied proactively or retroactively will be detailed in the version history below and/or within the relevant program sections.

Version Number	Date Revised	Key Revisions
1.0		

1 PROGRAM OVERVIEW

1.1 Introduction

The HARP Reimbursement pathway is administered under the CDBG-DR–funded recovery Homeowner Assistance and Recovery Program (HARP) established by the New Jersey Department of Community Affairs (DCA), Division of Disaster Recovery and Mitigation (DRM), to reimburse eligible homeowners for out-of-pocket costs incurred to complete emergency repairs necessary to address health and safety risks resulting from Tropical Storm Ida. The Program is funded through the State's Community Development Block Grant–Disaster Recovery (CDBG-DR) allocation for Tropical Storm Ida, as authorized by Public Law 117-43 and governed by HUD's Consolidated Notice (87 FR 31636).

1.2 Program Description

Reimbursement provides financial assistance to eligible homeowners for out-of-pocket costs incurred to complete emergency repairs to their primary residence following Tropical Storm Ida. Reimbursement assistance is limited to repairs that were necessary to address an imminent threat to health and safety, were completed within the allowable timeframe established by the Program and were paid for using the applicant's personal funds.

Reimbursement assistance is intended to address urgent, disaster-related conditions and does not serve as a substitute for full rehabilitation or reconstruction activities. All reimbursed activities must be directly tied to storm impacts and must be limited in scope to the same footprint of the damaged structure.

1.3 Definition of Emergency Repairs

Emergency repairs are defined as limited repair activities necessary to control or arrest conditions that pose an imminent threat to health or safety resulting from disaster-related damage.

Emergency repairs:

- Address immediate risks that, if left uncorrected, would result in unsafe or uninhabitable living conditions;
- Do not expand, enlarge, or alter the footprint of the structure; and
- Must have been completed and paid for between September 1, 2021, the date of Tropical Storm Ida, and May 31, 2023, or until the applicant submitted an application to the Homeowner Assistance and Recovery Program (HARP), whichever occurred first.

Emergency repairs do not include routine maintenance, deferred repairs, cosmetic improvements, or upgrades unrelated to disaster impacts.

Examples of Emergency Repairs include:

- Drywall removal and replacement due to water intrusion. Failure to repair could promote mold growth, creating a health and safety hazard.
- Electrical panel repair caused by water intrusion. Failure to repair could create fire hazards from exposed or faulty wiring.
- Roof repairs from high winds or hail damage. Failure to repair could allow continued water intrusion, creating mold and structural hazards.

2 APPLICATION AND PRIORITIES

2.1 Application Process Overview

2.1.1 Application Period

Applications will be accepted on a rolling basis. To support compliance with HUD low- and moderate-income (LMI) benefit requirements, the Program will prioritize funding assistance to LMI households. Applicants qualifying under the Urgent Need national objective may be placed on a waitlist until the Program has met its required LMI expenditure threshold. The State reserves the right to adjust applicant intake and funding priorities as necessary to maintain compliance with HUD requirements and available funding.

2.1.2 Income Verification

Income eligibility thresholds and classifications are aligned with HARP income standards but are applied solely for purposes of determining eligibility for this reimbursement pathway.

2.1.3 Applicant Prioritization

Reimbursement applications will be processed in the order received. DCA may prioritize applications based on programmatic considerations, including but not limited to funding availability, applicant vulnerability, and alignment with Action Plan priorities.

2.2 Withdrawal

Unless otherwise stated in this Policy, all voluntary withdrawals, administrative withdrawals, notice requirements, reinstatement requests, and related determinations shall be processed in accordance with the HARP Policy Manual and applicable DCA policies.

2.3 Housing Counseling Services

Housing counseling services provided under the Ida Reimbursement Fund will support applicants throughout their participation in the program. These services will include application assistance, documentation support, and long-term housing planning, as well as wraparound services and referrals that may be necessary to assist vulnerable populations as they move through the program.

3 ELIGIBILITY

3.1 National Objectives

Per 87 FR 31636, HUD requires States to comply with the overall benefit requirements in the Housing and Community Development Act of 1974 (HCDA) and 24 CFR 570.484, 24 CFR 570.200(a)(3), and 24 CFR 1003.208, which require that the majority of funds be used across all Ida funded programs to benefit low- and moderate-income persons. To meet that requirement, this program will primarily use the Low-Moderate Income Persons and Households national objective. The program may use the Urgent Need National Objective to provide assistance to eligible disaster-impacted applicants with incomes greater than 80% of AMI.

3.2 Applicant Eligibility

Applicants must meet all of the eligibility criteria outlined below. Eligibility is determined based on the applicant's status at the time of Tropical Storm Ida and at the time the eligible emergency repairs were completed.

Eligible applicants are individuals who:

- Owned and occupied the assisted property as their primary residence at the time of Tropical Storm Ida;
- Incurred and paid for at least $5,000 in documented eligible emergency repair costs using personal funding;
- Completed repairs must be directly attributed to damage caused by Tropical Storm Ida;
- Emergency repairs must be completed within the Program eligibility period established in Section 1.3; and
- Meet all other HARP Program eligibility and compliance requirements as outlined in the HARP policy.

3.3 Eligible Properties and Activities

3.3.1 Eligible Properties

Assistance is limited to single owner-occupied households. Properties used as rental properties, investment properties, or secondary residences are not eligible for reimbursement assistance.

3.3.2 Eligible Emergency Repair Activities

Completed repairs are eligible for reimbursement only if they addressed an immediate threat to the health, safety, or habitability of the home and required urgent action to prevent further damage or unsafe conditions.

Examples may include, but are not limited to:

- **Drywall removal and replacement due to water intrusion**:
  Repairs necessary to remove and replace water damaged drywall where

failure to complete the repair could promote mold growth, creating a health and safety hazard.

- **Electrical panel repair caused by water intrusion**:
Repairs necessary to address damage to the electrical panel where failure to complete the repair could create fire hazards due to exposed or compromised electrical components.

- **Roof repairs resulting from high winds or hail damage**:
Repairs necessary to prevent continued water intrusion where failure to complete the repair could contribute to mold development or structural deterioration.

Only repairs that are directly attributable to Tropical Storm Ida are eligible for reimbursement. No other activities are eligible under this reimbursement pathway.

OTHER ELIGIBLE ACTIVITIES

The Program currently prioritizes reimbursement for eligible emergency repairs paid directly with the applicant's personal funds. Subject to future HUD guidance, unmet recovery needs, and funding availability, DCA may evaluate whether additional reimbursement options, including certain SBA-financed repairs, may be incorporated through a future policy revision.

3.4 Ineligible Activities

The following activities are not eligible for reimbursement, including but not limited to:

- Housing maintenance or repairs due to degradation;
- Repairs completed outside the approved eligibility period defined in Section 1.3;
- Repairs that expand or modify the structure beyond its original footprint;
- Restoration or replacement of finishes in non-primary living areas or detached structures, except where necessary to address safety or health hazards or to address essential mechanical equipment;
- Improvements that exceed the minimum work necessary to address the emergency condition;
- Costs not paid directly by the applicant;
- Repairs that duplicate assistance provided by other federal, state, local, or insurance sources;
- Reimbursement for multi-unit structures. Properties containing rental units, including duplexes and triplexes, are not eligible for reimbursement assistance;
- Properties listed on, or eligible for listing on, the National Register of Historic Places which used materials that were not the same as or similar to those in use immediately prior to the disaster; and

- Exterior finishes, including siding, which did not present an urgent health or safety hazard; and
- Decorative finishes which serve no other purpose.

3.5 Occupancy and Primary Residency

The assisted property must have been the applicant's primary residence at the time of Tropical Storm Ida. The applicant must demonstrate legal ownership and occupancy of the property at the time the eligible emergency repairs were completed. Verification of primary residence is detailed in the HARP Policy Manual.

3.6 Individual Homeowner Ownership

The applicant must own the property at the time of application. All individuals with an ownership interest in the property must agree to participate in the program. Applicants who do not own or have no legal interest in the property are not eligible for the Program.

An individual with Power of Attorney (POA) for the owner occupant may complete the application on the applicant's behalf.

3.7 Other Special Ownership Circumstances

Ownership eligibility for applicants with special ownership circumstances is governed by the HARP ownership policies.

3.8 Lawful Presence

Unless otherwise stated in this Policy, all eligibility determinations, acceptable documentation, verification procedures, and compliance requirements related to lawful presence will be administered in accordance with the HARP Policy Manual and applicable DCA policies.

3.9 Uniform Relocation Act (URA)

Activities that displace renters are not eligible for the Program. As a result, URA is not expected to apply to the IRF. Please reference policy 2.10.78 entitled "Uniform Relocation Act Procedures for the Homeowner's Assistance and Recovery Program" for further guidance on the State's process for implementing URA provisions and the State's Residential Anti-Displacement and Relocation Assistance Plan (RARAP).

3.10 Flood Insurance Requirements

Unless otherwise stated in this Policy, all flood insurance eligibility, coverage, maintenance, monitoring, and compliance requirements shall be administered in accordance with the HARP Policy Manual and applicable DCA policies and apply to applicants seeking reimbursement assistance.

4 ENVIRONMENTAL REVIEW

When there is a federal undertaking such as federal funding for projects or assistance, environmental reviews are required to analyze potential impacts to the environment, project occupants and the surrounding community.

This program's reimbursement pathway eligibility is based on 2 CFR 200 allowable exceptions to reduce administrative overhead and expedite the funding of impacted homeowners:

- **Environmental Exemption** – 24 CFR 58.34(a)(10)

4.1 Environmental Review

4.1.1 National Environmental Policy Act (NEPA)

Environmental reviews are required under the National Environmental Review Policy Act of 1969 (NEPA) when there is a major federal action. The White House Council on Environmental Quality oversees the implementation of NEPA by all federal agencies. It reviews the regulations set forth by each agency to implement NEPA. HUD's regulations are set forth in 24 CFR Part 58 and 24 CFR Part 50 and in addition to NEPA, HUD requires compliance with other related Federal and state environmental laws and authorities.

4.1.2 Tiered Reviews

The level of environmental review depends on the scale, complexity and likelihood of a project or activity will result in environmental effects.

- Exempt
- Categorical Exclusion
  - Not Subject To 58.5 (CENST)
  - Subject To 58.5 (CEST)
- Environmental Assessment (EA)
- Environmental Impact Statement (EIS)

4.1.3 Environmental Review Approach for HARP Reimbursement

Reimbursement activities under this Program are expected to qualify for an environmental review exemption pursuant to 24 CFR 58.34(a)(10) for actions necessary to address an imminent threat to health and safety.

In the event a property does not qualify for the applicable exemption the application may be deemed ineligible. The program at its sole discretion permits some properties to continue without the exception in which case, all environmental review requirements, procedures, and compliance standards established under the HARP Program Policy shall apply.

5 LEAD HAZARD

Completed emergency repairs eligible for reimbursement under this Program are exempt from the Lead Safe Housing Rule requirements pursuant to 24 CFR 35.115(a)(9), which exempts emergency actions immediately necessary to safeguard against imminent danger to human life, health, or property. The Program shall document that the reimbursed work was emergency in nature, directly related to disaster damage, and limited to the actions necessary to address the health and safety threat. No lead-based paint evaluation, hazard reduction, or clearance testing will be required for activities qualifying under this exemption.

In the unlikely event the exemption does not apply, and the home were to remain eligible, the standard HARP Program Policy – Lead Hazard terms shall apply.

6 AWARD

6.1 Award Determination and Calculation

Award determinations are based on a review of the applicant's submitted documentation, verification of eligibility, and compliance with all Program requirements. Reimbursement awards are calculated using the actual, reasonable, and necessary costs incurred by the applicant to complete eligible emergency repairs, subject to Program limitations.

Reimbursement assistance under this Program is separate from and does not reduce any previously awarded assistance under other DCA disaster recovery programs, except as required to address duplication of benefits for the same repair activity.

The program may establish a fixed reimbursement pricing structure based on industry standard software, such as Xactimate.

6.1.1 Duplication of Benefits (DOB)

Duplication of Benefits (DOB) determinations shall be conducted in accordance with the HARP Duplication of Benefits Policy (Policy 2.10.1). Applicants must disclose all disaster-related assistance received or available for the same loss, and any duplicative assistance shall be deducted from the reimbursement award as required by federal law and HUD guidance.

6.2 Cost Reasonableness Review

All reimbursement requests are subject to a cost reasonableness review. The Program will evaluate costs using industry-standard pricing tools or comparable market data and may reduce reimbursement amounts for costs determined to be unreasonable or excessive. Partial reimbursement may be approved when only a portion of submitted costs meets Program criteria.

6.3 Maximum Assistance

The maximum reimbursement award per applicant shall not exceed $100,000, inclusive of all eligible emergency repair activities. When submitted costs exceed the maximum award or include ineligible items, the Program may approve a partial reimbursement for eligible costs only.

6.4 Documentation Requirements

Applicants seeking reimbursement must provide sufficient documentation to verify:

- The nature and scope of the emergency repair;
- That the repair was completed and paid for by the applicant; and

Acceptable documentation may include but not limited to:

- Contractor invoices or paid receipts;
- Proof of payment (e.g., canceled checks or bank statements); and
- Photographs of completed repairs.

6.5 Funding Agreement Execution

6.5.1 Approvals

Before a funding agreement can be executed, the Program will complete all required eligibility reviews, environmental clearances, DOB verification, and scope approvals. Once the applicant's award amount is finalized, the file will move into the funding agreement step. Applicants must have provided all required documentation prior to agreement execution.

The Program will issue a formal approval notice confirming the award amount, the approved scope of work, and any conditions that must be satisfied before the payment can be requested.

6.5.2 Agreement

The funding agreement establishes the terms and conditions under which Program funds will be disbursed for the approved reimbursement request. Once the program has verified that all required documentation is provided and the work is completed, the payment will be made.

7 PAYMENTS

7.1 Reimbursement Payment Overview

One-time reimbursement payments will be made to eligible applicants for approved emergency repair costs that have been completed and paid for prior to Program participation.

Reimbursement payments will be issued only after the following conditions have been met:

- The applicant has been determined eligible for the Program;
- All required documentation supporting eligible emergency repairs has been submitted and approved;
- Cost reasonableness and duplication of benefits reviews have been completed;
- The final reimbursement award amount has been approved; and
- The applicant has executed all required Program agreements and certifications.

The Program reserves the right to withhold payment if documentation is incomplete, inconsistent, or insufficient to support the reimbursement request.

Applicants will not receive more than one reimbursement payment unless expressly approved by the Program.

7.2 Recapture

Reimbursement payments are subject to recapture if it is later determined that:

- The applicant was ineligible for assistance;
- Reimbursed costs were duplicative of other assistance;
- Required documentation was false, misleading, or incomplete; or
- Program funds were otherwise improperly awarded.

DCA reserves the right to recover all or a portion of reimbursement funds in accordance with applicable State and federal requirements.

7.3 Flood Insurance and Recordation Requirements

Applicants receiving assistance for a property located within a Special Flood Hazard Area shall be required to obtain and maintain flood insurance in accordance with the requirements of Section 582 of the National Flood Insurance Reform Act of 1994 and applicable HUD guidance.

Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates that for structures in an SFHA, the structure be covered by flood insurance in an amount at least equal to the project cost.

When required by Program policy, the State may record a notice or other instrument in the applicable land records to document the flood insurance obligation. Failure to maintain required flood insurance may result in future ineligibility for federal disaster assistance.

8 CLOSEOUT

Applications will be considered closed once all required eligibility, compliance, and payment determinations have been completed and the reimbursement payment has been issued or the application has been determined ineligible or withdrawn.

Closeout procedures, record retention, post-award monitoring, audit requirements, and compliance oversight applicable to the HARP Reimbursement are governed by the HARP closeout and records management policies and are incorporated by reference.

Closed applications remain subject to post-closeout monitoring, duplication of benefits review, recapture, and audit in accordance with HARP policies and applicable State and federal requirements.

9 PROGRAM APPEALS, COMPLAINTS, AND GRIEVANCES

Appeals, complaints, grievances, fair housing, civil rights, and Section 504 procedures applicable to the HARP Reimbursement are governed by the same processes established for HARP and are incorporated by reference unless otherwise stated in this Policy.

10 MONITORING, COMPLIANCE, AND RECORDS MANAGEMENT

Monitoring, compliance, and records management requirements applicable to the HARP Reimbursement are governed by the HARP monitoring and compliance policies and are incorporated by reference.