

3 Steps to Help You Recover from a Disaster

In the immediate aftermath of a disaster — which can include floods, forest fires, tornadoes, hurricanes and other natural disasters — your top priority should be to ensure your family's safety. Once you and your loved ones are safe and accounted for, you can begin to assess the damage and start thinking about how to move forward.

Disasters can have a significant impact on your home and your finances, and recovery can be a long, challenging process. Beyond damage to your property, damage to your place of employment can have an impact on your financial situation. In either case, taking these three steps can help you get back on your feet.

1 Contact Your Insurer

If your property has been affected, one of your first calls should be to your homeowners insurer. In addition to helping you assess the condition of your property and reimbursing the costs to repair or replace any damages, many policies also include additional living expenses (ALE) insurance that can provide critical financial support. If you and your family are displaced due to a disaster, you can use ALE to cover the cost of temporary housing, food, pet boarding and other household expenses.

When you speak with your insurer, you should ask questions to gather as much information as possible about your policy's coverage. The company may send out an adjuster to investigate your claim and determine how much your insurer will pay out for repairs or replacement. You may consider having a contractor assess the damage and develop a repair plan, but you should avoid making any costly repairs until the adjuster confirms that it will be reimbursed by the insurance company.

[Learn more about insuring your home for natural disasters.](#)

2 Contact Your Mortgage Servicer

It is critical to contact your mortgage company, or servicer, as soon as possible to let them know about your current circumstances. Your mortgage servicer is the company you make your monthly mortgage payments to, and their contact information should be listed on your monthly mortgage statement. Your servicer can help you understand which disaster relief options are available to you, which may include mortgage forbearance.

Understanding Mortgage Forbearance

Forbearance can help you reestablish your finances while keeping you on track for sustainable homeownership.

During forbearance, your mortgage servicer:

- **Allows you to make reduced payments or pause your mortgage payments for a specified period of time.** Once you're in better financial standing, you can resume your normal payments. Keep in mind, you will need to work with your servicer to arrange repayment of all missed payments at the end of forbearance.
- **Waives penalties or late fees for missed payments.** During a forbearance, your servicer will not assess any penalties for late or missed payments.

[Learn more about mortgage relief options.](#)

3

Know Your Options for Repayment

Throughout the recovery process, keep in mind that mortgage forbearance is a temporary lifeline to help while you get back on your feet. You should plan ahead and be prepared for when your normal mortgage payments resume. Your servicer will be in touch within 30 days prior to the end of your forbearance period and can help you explore your repayment options, which may vary depending on your specific circumstances. This can include:

- **Lump sum payment.** If you are able, you can repay the missed payments to your servicer in one lump sum payment that covers the total amount owed.
- **Repayment plan.** If you are able to resume your monthly payments in addition to making up missed payments, you may be able to work out a repayment plan with your servicer. This could result in a higher monthly payment until you have fully repaid your missed payments.
- **Payment deferral.** If you are able to resume making your regular monthly payment, but unable to take on the increased monthly payment of a repayment plan, a payment deferral will bring you immediately current on your mortgage. Any missed payments from your forbearance period will be set aside and will be due when the loan pays off or at the end of the mortgage term, without penalties or additional interest.
- **Mortgage modification.** If you are able to resume making a monthly mortgage payment, but not able to cover an increased amount for a repayment plan or the same amount you were paying prior to the disaster, you may be eligible for a mortgage modification. This can lower your monthly payment by permanently changing one or more terms of your mortgage.

Keeping an open line of communication with your servicer can make it easier to navigate your options and better understand what is available to you.

[Learn more about coming out of disaster forbearance.](#)

Other Disaster Relief Resources

The following organizations provide information about disaster assistance and can help you locate federal, state and local resources in the aftermath of a disaster:

- [The Federal Emergency Management Agency \(FEMA\)](#)
- [DisasterAssistance.gov](#)
- [U.S. Department of Housing and Urban Development](#)
- [American Red Cross](#)

