

DISASTER PREPAREDNESS

HOW GOOD IS YOUR TITLE?

In the aftermath of a hurricane, flood, or other disaster, homeowners and landowners may encounter an unexpected obstacle to receiving emergency disaster assistance: the requirement that they prove legal ownership of, or title to, their land. This document explains the following issues you may wish to consider, among others, before a storm strikes: 1) What is “good title” to land, and what are the different rights landowners can have in real property; and 2) How you can document or prove ownership or occupancy to qualify for federal disaster assistance.

Forms of Land Ownership and “Good Title”

Holding title to real property means you have rights of use and ownership. These rights are given by a written document of title—a **deed**—that should be recorded with the Register of Deeds in the county where the property is located. A deed gives you title to your property and shows that you own your land. Every time property is sold, willed, or given to another person, a new deed should be written and recorded. The deed should be drafted by a lawyer. In the deed, the person buying or inheriting the land is called the **grantee** and the person selling, willing, or giving the land is called the **grantor**. The title received by the grantee is only as good as what the grantor had to give.

As a property owner, you may hold title to property as the sole owner, or you may hold title jointly with other owners, and your ownership rights may be limited by the rights of others.

Ways to Hold Title to Property

Life Estate	Literally, for the grantee’s lifetime. The grantee cannot will or give the property to his or her heirs because the life tenant’s rights to the property end at death.
Fee Simple	A permanent and absolute ownership of property. The grantee may sell, will, or give the property to whomever he or she chooses.
Tenants by the Entirety	A form of ownership among spouses. With this form of ownership, when one spouse dies, the surviving spouse will automatically become the full owner of the property.
Tenants in Common	A form of ownership wherein each co-owner owns an undivided interest in the property, meaning the land has not been divided and each person has the same rights and responsibilities for management of the full property. This is most common (though not exclusive) among families who have inherited property through intestate succession, or the statutory formula used to determine estate distributions in the absence of a valid will. This property is referred to as “heir property,” which describes property passed to future generations usually without a will’s direction.

Documenting and Proving Title to Receive Benefits in the Event of Disaster

As a homeowner or landowner, you will want to be able to document and prove your title for a variety of reasons, including in order to: sell, lease, or mortgage the property; obtain permits to build on or make other changes; prevent trespassing; obtain insurance; and obtain public benefits, including disaster recovery benefits. In light of increasing weather-related challenges facing North Carolina residents, it becomes important to think ahead of time about your title and the related documents you may need in order to apply for disaster-related benefits.



Disaster Assistance from FEMA

The Federal Emergency Management Agency (FEMA) is the primary federal agency assisting those affected by natural disasters. FEMA's Individuals and Households Program (IHP) provides financial help to those who have necessary expenses that they cannot otherwise meet. Before applying for this program, a homeowner must have exhausted available insurance benefits. Types of housing assistance from FEMA include temporary housing and home repair funding (most common), as well as home replacement and semi-permanent or permanent home construction.

Proving Eligibility for FEMA Assistance

To be eligible, a disaster survivor must be an **owner or occupant** of the damaged residence. Federal regulations define an occupant as a resident of a housing unit. They define an owner-occupant as 1) The legal owner; 2) A person who does not hold formal title to the residence and pays no rent, but is responsible for the payment of taxes or maintenance; or 3) A person who has lifetime occupancy rights with formal title vested in another (life estate). Documents to prove ownership may include: a deed, lease, contract for sale, mortgage payment booklet or other documents, property insurance documents, and a property tax bill or receipt. To prove occupancy only, utility bills or employer pay statements sent to the applicant at the residence address may be accepted. FEMA may allow other documents to be used, including an affidavit from the occupant or owner-occupant, about the status of the ownership and why documents are unavailable. Any documents must include the name of the applicant, the address of the damaged home, and a date showing the applicant lived there before the disaster period.

Other Disaster Relief Considerations

Other government agencies, such as the Small Business Administration (SBA) and the USDA, offer low-interest loans and other programs for disaster survivors. Attempting to gather the necessary information during a crisis can be difficult and can add stress to an already challenging time. Knowing the state of your title and collecting the required documents beforehand can help you have what you need when you need it most.

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