

7.0 SOCIAL SECURITY, BANKING, AND FINANCIAL ISSUES

7.1 Social Security Benefits

If you did not receive your regularly scheduled payment from Social Security due to a disaster, you can go to any open Social Security office and request an immediate payment. To find the nearest Social Security office call 1-800-772-1213 (TTY 1-800-325-0778). You can also visit the Social Security website at www.socialsecurity.gov.

With very few exceptions, the Social Security Administration requires that you sign up for their direct deposit service. With direct deposit, you no longer receive a check in the mail. Instead, your money is deposited for you directly into your bank, savings and loan, or credit union account no matter what happens to interrupt mail service. If you don't have a bank account, you can sign up for a Direct Express card, which works like a debit card. Your benefits are loaded onto the card for you to use without having to have a paper check. If you need to enroll for direct deposit or Direct Express, go to your nearest Social Security office or to the www.socialsecurity.gov website.

Additionally, if the applicant is blind, over the age of sixty-five, or disabled and has been unable to work for twelve months or longer or has a condition expected to result in death, the applicant should apply for benefits at the nearest Social Security office. You can also start an application by calling the Social Security Administration's toll-free telephone number 1-800-772-1213. You may start your application for disability benefits online (<https://secure.ssa.gov/iClaim/dib>). You may apply for retirement and/or Medicare online (<https://www.ssa.gov/planners/retire/applying8.html>).

Once Social Security has all the necessary documentation, such as proof of earnings and medical evidence of disability, it will send a written decision. If the applicant is denied and you disagree, you should file a request for reconsideration within sixty days of the date of the initial decision. Strike through and put "If the person applying is denied on reconsideration, a Request for a Hearing Before an Administrative Law Judge must be filed within sixty days. That should be done as quickly as possible and then for further help or advice, you may call your nearest Legal Services provider.

The applicant may also be eligible for other kinds of Social Security benefits. The applicant may be eligible under his own account or, under certain circumstances, under someone else's (retired, elderly, or disabled widow(er), or dependent family member of disabled, retired, or deceased worker). If you think you or anyone you know might be eligible for any of these benefits, you should contact the Social Security Administration and apply.

A person may also be eligible for Social Security Survivors benefits if a spouse, an ex-spouse, or parent died. That person may also be eligible for a \$225 one-time death benefit.

7.2 Tax Relief

The IRS website has a section on disaster tax issues (<https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>) where it posts all the latest information related to tax relief available to disaster survivors. The page provides a comprehensive set of FAQs for disaster survivors. The IRS also maintains a "Disaster Relief Resource Center for Tax Professionals" on its web page to provide resources for advocates assisting disaster survivors with tax issues. Advocates and survivors should

use the IRS webpage as a starting point for their research. In recent disasters, the American Bar Association has shared with pro bono tax advocates the disaster tax chapter of its treatise, "Effectively Representing Your Client Before the IRS."

Shortly after a disaster declaration, the IRS posts notices and news releases on its website describing filing and payment deadline extensions and other tax relief for affected taxpayers. All applicable IRS notices and news releases should be read carefully to determine which deadlines are extended, for how long, and for which taxpayers. For all federally declared disasters, installment agreement payments that come due during the disaster are automatically suspended and the taxpayer must resume payments the month after the disaster relief period ends. In some major disasters, the IRS has suspended certain types of collection actions, including liens, levies, and seizures.

Disaster survivors will need quick access to prior year tax returns to file amendments to claim disaster losses in a prior year as allowed under 26 U.S.C. § 165(i), to prove business income for business interruption insurance claims or for any number of other disaster-related exigencies. The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns and tax return transcripts. Disaster survivors should write the assigned disaster designation (e.g., "Texas, Hurricane Harvey") in red ink at the top of Form 4506 (Request for Copy of Tax Return) or Form 4506-T (Request for Transcript of Tax Return), as appropriate, to avoid fees and expedite processing. Account transcripts and wage and income transcripts can be requested free of charge by calling 1-800-908-9946 or online at <http://www.irs.gov/Individuals/Order-a-Transcript>.

Taxpayers claiming disaster losses on amended tax returns to access immediate cash refunds should write the disaster designation in red across the top of Form 1040X to ensure the IRS applies expedited processing procedures. The average expedited processing time is sixty days. Taxpayers experiencing economic hardship should apply for a manual refund through the IRS Taxpayer Advocate Service. A manual refund can generally be processed within one to two weeks. Apply by faxing a completed IRS Form 911 to your local Taxpayer Advocate Office. In such a case, do not file the amended tax return by mail. Instead, attach it to the Form 911 so it can be manually input by the Taxpayer Advocate assigned to assist with the manual refund request. Visit www.irs.gov/taxpayer-advocate for more information.

Qualified disaster relief payments under 26 U.S.C. § 139 are not taxable income to disaster survivors if the reimbursed expense is not also reimbursed by insurance or otherwise and has not been deducted on a prior year tax return. Qualified disaster relief payments include payments to reimburse reasonable and necessary personal, family, living, or funeral expenses incurred as a result of the disaster, reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence (even if rented), and expenses incurred to repair or replace contents of a personal residence. Disaster relief payments that do not qualify under section 139 may still be excluded from income under the "general welfare exclusion."

Many disaster survivors have lost some or all of their records in the disaster. In such situations, taxpayers will need to reconstruct business records or collect other documents adequate to prove eligibility for tax deductions and credits, apply for federal disaster assistance, and substantiate insurance reimbursement claims. IRS publication 2194 provides more information on how to reconstruct records after a disaster.

IRS computer systems automatically identify taxpayers located in covered disaster areas and apply automatic filing and payment relief. Taxpayers who reside or have a business outside the covered area,

or who moved to the covered area after their last contact with IRS, must call the IRS disaster hotline at **1-866-562-5227** to request tax relief.

Finally, the IRS staffs a Disaster Assistance Hotline at 1-866-562-5227. Calls are only answered on weekdays from 7:00 a.m. to 7:00 p.m., local time. Callers may need to provide their own interpreter.

7.3 FAQs — Banking/FDIC Issues

Q. 117 Who can I contact for information?

The FDIC realizes that customers with limited access **to** a working telephone or the internet may have greater difficulty obtaining financial information. Customers with access to a working telephone can contact the FDIC **toll-free** at **1-877-ASK-FDIC** or 1-877-275-3342 or TDD 800925-4618 for information about accessing their bank accounts, lost records, ATM cards, direct deposits or how to reach their bank. This hotline operates from 8:00 am to 8:00 pm Eastern Time from Monday through Friday and 9:00 a.m. to 5:00 p.m. on Saturday and Sunday. Customers with access to the internet may visit the FDIC website at www.fdic.gov/consumers/assistance and submit a Consumer Assistance Online Form with questions or complaints electronically.

Q. 118 The local banks are not cashing my checks or letting me withdraw money from teller stations. What can I do?

If you do not have an account relationship with the bank cashing the check (Bank A), it may be concerned about whether there are sufficient funds in your account with the bank on which the check is written (Bank B). Ask Bank A to call Bank B to determine your account balance with Bank B. The FDIC encourages you to provide the necessary information to Bank B, so you can conduct banking transactions. However, the FDIC recognizes that you may have no other alternative but to open a new banking account in the area in which you have relocated.

Q. 119 My direct deposit is not showing up in my account, and I need money. Is there somebody who can help me clear this up with the bank?

There may be delays in the processing of transactions, including direct deposits, as banks activate back up plans. The banks will process the transactions once the plans are implemented. Talk to your bank about the problem. You can also contact the individual or company that originated the deposit to see if they have any information about the status of your deposit.

Q. 120 If my ATM card does not work, what should I do?

If your ATM card will not work, it is probably because your bank's verification system is not working. You may consider other options, such as cashing a check in your immediate area or using a credit card. You may also contact one of the emergency service organizations, such as FEMA (www.fema.gov; 1-800-621-3362) or contact a non-local branch office of your bank and request assistance. BankFind is an excellent resource for acquiring contact information for your bank (<https://research.fdic.gov/bankfind>).

Q. 121 ATM fees are piling up, why aren't the banks waiving these fees?

Please contact your bank and explain your situation. FDIC regulators strongly encourage banks to waive these fees for those hardest hit by disasters.

Q. 122 How will I get my Social Security check?

Contact the Social Security Administration (SSA) or go to an open Social Security office for instructions or information regarding SSA assistance programs. To find an open office, call the SSA at 1-800-772-1213 (TTY 1-800-325-0778) for automated services and recorded information. If you cannot handle your business through an automated service, you can speak to a live representative between 8:00 a.m. and 8:00 p.m. Central Standard Time from Monday through Friday. Information from the SSA is available at: <http://www.ssa.gov/emergency/>.

Q. 123 I would like to wire money to relative or friend affected by the disaster or from my current financial institution to another one closer to my current location. How do I go about wiring money to or from an institution?

Here are some steps for wiring money to or from an institution affected by a disaster:

- Find a bank's telephone number, e-mail address, and physical address on the FDIC's BankFind system (<https://research.fdic.gov/bankfind>)
- Contact the institution to which you want to send or retrieve money and determine if the bank can accept or send wire transfers.
- Provide the following information:
 - Either your account number or the account number of the individual who will receive the money (in the middle of the check or deposit slip) and the bank routing number (in the lower left-hand corner of your check or deposit slip). If you cannot find a bank's routing number, it is usually listed on the bank's web page.
 - The address of the bank to which you are wiring money.
- Request the institution to fax or e-mail you a confirmation so you know the person receives the money, if you are transferring the funds over the Internet.

You should understand the identification verification process at the receiving institution. Some institutions will accept incoming wires for noncustomers but will require proof of your identity before they release the funds. Ensure you have the identification required or explain up front what you have and ask the bank if that is acceptable. Also determine up front the existence of any fees associated with wiring funds.

Q. 124 How can I protect against fraud or scams?

Protect your personal and financial information. Understand that some people may take advantage of natural disasters by using fraudulent websites, phone calls, e-mails, and text messages claiming to offer "help" but may be trying to trick people into providing Social Security numbers, bank account numbers and other valuable details. Do not divulge your bank or credit card numbers or other personal information over the phone unless you initiated the conversation with the other party and you know that it's reputable. Be on guard against imposters who contact you claiming to be government employees or volunteers and who ask for personal financial information or money. Reject offers to cash a check for someone in exchange for a fee, even if the bank makes the funds available to you right away, as it may later turn out that the check was fraudulent.

Be careful before accepting unsolicited offers of repairs or other assistance. Deal only with insured home-repair contractors and get recommendations from people you know and trust. To check out a local business, including complaints against it, start by contacting the South Carolina Department of Consumer Affairs <https://www.consumer.sc.gov/Pages/default.aspx> or call (1-800-922-1594). In addition, get prices and other key details in writing and take your time to read and understand anything you are asked to sign.

Q. 125 I can't reach my bank by phone or Internet, what should I do?

If your bank is located in the heavily storm-damaged area and is not a part of a major regional or national institution, it may not be open for some time. You can use the FDIC's BankFind system at <https://research.fdic.gov/bankfind> to obtain a bank's contact information. You should contact one of the emergency service organizations, such as FEMA (www.fema.gov; 1-800-621-3362) or the Red Cross (www.redcross.org; 1-800-733-2767) and request assistance.

Q. 126 I am worried about identity theft.

If you feel ID theft is a real concern or have reason to believe you are victim of identity theft, you may place a "fraud alert" on your credit file, by contacting the fraud department at one of the three major credit bureaus for which contact information appears below.

Be aware that putting an alert on your account may prevent you from opening an account, unless they are able to get in touch with you and positively confirm your identity, and that you are applying for credit.

- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 303740241
- Experian: 1-888-EXPERIAN or 1-888-397-3742; www.experian.com; P.O. Box 9554, Allen, TX 75013
- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Department, P.O. Box 2000, Chester, PA 19016

In addition, people who think their personal information has been misused should contact the local police. They also can contact and file a complaint with the Federal Trade Commission (FTC) by phone at 877-IDTHEFT or 1-877-438-4338 or TDD 1-866-653-4261, or on the Internet at <http://www.ftc.gov/idtheft>.

You may also call the South Carolina Department of Consumer Affairs at 800-922-1594. As always, protect your Social Security number, bank account and credit card numbers, and other personal information, especially in response to unsolicited requests from strangers. Remember that fraud artists may try to take advantage of the crisis by tricking victims (or their loved ones) into divulging personal information or by stealing sensitive mail or documents from homes and offices.

Q. 127 If my local bank was destroyed, is my money still insured?

Yes, your money is insured by the Federal Deposit Insurance Corporation ("FDIC"). Deposits with a FDIC insured bank or savings institution will continue to be protected up to \$250,000. However, you should keep any financial records that you have in order to help reconstruct your accounts.

Q. 128 Will there be enough cash?

Be assured the Federal Reserve System has and will continue to meet the currency needs of the financial institution industry. The banking industry nationwide has more than sufficient resources to fill any shortfall.

Q. 129 What about the contents of my safe deposit box? Does FDIC insurance cover safe deposit boxes?

No, deposit insurance does not cover items contained in safe deposit contents. Safe deposit boxes are not immune from theft, fire, flood and other loss. Most safe deposit boxes are held in the bank's vault, which are fireproof and waterproof. If possible, contact the branch or office where your box was located to determine the condition of your box.

Q. 130 Is my bank safe? Do you believe the affected banks will survive?

We are not aware of any bank that has closed due to the impact of a natural disaster. Consumers can also rely on the guarantees provided by the FDIC, which oversees the insurance funds that back deposits in banks and thrifts, and the National Credit Union Share Insurance Fund, which protects credit union depositors. These depositors can rest assured that deposit insurance is in full force.

Q. 131 Merchants will not accept my checks because my bank is not operational, and they cannot verify my account balance. What should I do?

If a merchant cannot verify that you have an available balance, it is unlikely that they will accept your check. Until your bank is operational again, we can only suggest that you contact one of the emergency service organizations, such as FEMA (www.fema.gov; 1-800-621-3362) or the Red Cross (www.redcross.org; 1-800-733-2767).

Q. 132 I am no longer working due to the disaster and don't have the income to live on and meet my payments. If I miss some mortgage/loan payments, how will this affect my credit? Will I be charged late fees? What can I expect?

The lender can file for foreclosure on your home. If this happens, you will receive a written foreclosure notice. Nonpayment may also be reported to credit agencies that will seriously affect your ability to rebuild your life. If the insurance settlement is less than what you owe on your mortgage, you are still responsible for paying the difference.

There is no law that requires a mortgage lender to offer you special consideration for late or missed payments, even if you are experiencing financial hardship following a disaster. Lenders make accommodations on a case-by-case basis. If you can't make your payment, contact your lender or loan servicer as soon as possible to discuss your situation and see if you can make a temporary deal on your payments until your financial situation improves.

- Tell the lender or loan servicer that you've been affected by a disaster. Let them know if your county has been declared a state and/or federal disaster area.
- Ask for "loss mitigation." By granting loss mitigation, the loan servicer can defer mortgage payments, reduce payments, change the interest rate, waive late fees, and not report you to the credit bureaus. You have no legal right to forbearance; you must ask for it. It is not automatic, and the lender does not have to approve it.
- Ask that any late fees be reversed.

- Be sure you understand what the forbearance will include.

Ask the lender or loan servicer:

- How many months' payments will you postpone?
- Will the lender or loan servicer impose any fees for the payment deferral?
- When will the deferred payments be due?
- Will the missed payments be repaid over a long time, rather than all at once?
- Will the lender stop any negative credit reporting for the deferred payments?

- Get all lender promises to you in writing.

Q. 133 Do I have to pay the mortgage while my insurance claim is pending?

Yes. You are responsible for paying your mortgage while your insurance claim is pending unless you've received some type of loss mitigation (see above). Your homeowner's policy may provide living expenses while your home is unlivable and under repair. If your claim was approved and repairs are underway, you must pay your mortgage as usual.

***IMPORTANT:** You are not required to accept the first estimate or offer of payment from your insurance company. Do not rush the process. It is important to make sure that you will be paid enough to adequately cover your losses. Ask your insurer to reconsider the offer. Include written estimates to show the real cost of repairs and negotiate the best deal. You can also hire an independent insurance adjuster who is not employed by your insurance company, but keep in mind that these adjusters get paid based on a percentage of your recovery.

In the meantime:

- Don't rush to sell your property because you are financially desperate. Financial help may be available from sources that you don't know about yet.
- Don't fall for scam artists who promise to save your property from foreclosure for a fee or if you "temporarily" sign your property over to them.
- Don't borrow money _ especially from contractors—to rush into home repairs. Work with your insurance company to get an accurate estimate and payout for your claim.
- Don't rush into declaring bankruptcy. Bankruptcy can damage your credit for years to come. Get credit help from your local nonprofit consumer credit counseling service.
- Check to make sure your contractor is licensed with South Carolina. <https://www.llr.sc.gov/>.
- ***Q. 134 What if my home is destroyed and I have no insurance?***

You may be able to deduct some of your loss on your federal income tax return. Only major losses normally result in tax savings. Check on the IRS web page at www.irs.gov or call your local IRS office.

Q. 135 I need longer term financing until insurance checks come in and I can find another job, will banks help?

Federal Disaster Loans: Following a disaster declared by the president, FEMA partners with the U.S. Small Business Administration (SBA) to help disaster survivors. The SBA offers low-interest disaster loans to homeowners, renters, and businesses of all sizes. These are federal long term disaster recovery

loans designed to help you repair physical damage caused by a disaster that is not fully covered by private insurance or other disaster funds.

What is covered? The SBA's programs do not duplicate FEMA or other disaster recovery programs. An SBA loan application may trigger other grant assistance through FEMA's Other Needs Assistance (ONA) program, which is administered by the state of Texas. If you don't apply to the SBA, you may lose out on additional help such as:

- reimbursement for lost personal property
- vehicle repair or replacement, and
- moving and storage expenses.

Who is eligible? Eligibility includes:

- businesses of all sizes
- landlords
- individual homeowners and renters
- private nonprofit organizations
- small agricultural cooperatives

Can I get a loan to pay my business operating expenses? Economic Injury Disaster Loans (EIDL loans) are available from the SBA for businesses that have "substantial economic injury," meaning the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide working capital to help small businesses survive until normal operations resume after a disaster. A business may qualify for both an EIDL and a physical disaster loan.

How do I apply? Register by phone through FEMA (800-621-FEMA) (TTY 800-462-7585) or online through www.DisasterAssistance.gov. If you are eligible for an SBA loan, the SBA will contact you by an automated callback to complete the SBA application. You can also apply at your local disaster relief center.

How much can I borrow?

- Eligible homeowners—up to \$200,000 for home repair or replacement of primary residences.
- Eligible homeowners and renters _ up to \$40,000 to replace disaster-damaged or destroyed personal property.
- All businesses regardless of size—up to \$2 million to cover physical damages.
- Small businesses and most private nonprofits—up to \$2 million for any combination of property damage or economic injury under SBA's Economic Injury Disaster Loan program. SBA loans offer terms up to thirty years. Interest rates are as low as:
 - 1.688 percent for homeowners and renters,
 - 4 percent for businesses, and
 - 2.625 percent for private nonprofit organizations

APPLICATION DEADLINES: Deadlines vary depending on the type of loan. Apply immediately. Do not wait to hear back on claims submitted to your insurance company.

For more information: Contact the SBA's Disaster Assistance Customer Service Center at 800659-2955 (TTY 800-877-8339) or e-mail disastercustomerservice@sba.gov. Visit the SBA website at www.sba.gov/disaster.

Q. 136 What happens if my bank has lost my records?

Banks are required to have contingency plans for all types of disruptions to operations, including natural disasters. Banks have backup systems of records and other built-in duplications that are housed in safe locations so that financial records can be reconstructed and restored.

Q. 137 How can consumers deposit or cash any insurance checks they may receive?

By the time emergency relief and insurance payments are received, the affected institutions should be prepared to process these payments for their customers. Should a customer's primary financial institution not be ready to receive these payments it is anticipated arrangements will be made with neighboring institutions to handle these special consumer needs.

Q. 138 Who can I contact for more information?

The FDIC has a consumer hotline. Please call 1-877-ASK-FDIC (275-3342). You may also visit the FDIC's website at www.fdic.gov. The hotline is operating from 8 a.m. to 10 p.m. central time, seven days a week.

Source: This question and answer section utilizes information provided by the FDIC at <https://www.fdic.gov/news/news/financial/2017/fill7038a.pdf>.