
FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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Disaster Recovery Housing Assistance Program

Purpose

The [Disaster Recovery Housing Assistance Program](#) was created in 2021 Iowa Acts, chapter [177](#) (Taxation and Other Provisions Act) and is administered by the Iowa Finance Authority (IFA). The Program provides aid to Iowa renters and homeowners of disaster-affected homes following a State of Disaster Emergency Proclamation by the Governor.

Funding

Funding for the Disaster Recovery Housing Assistance Program comes from other IFA unobligated or unencumbered moneys in any revolving loan program fund created pursuant to Iowa Code sections [16.46](#), [16.47](#), [16.48](#), or [16.49](#). Funds may also be transferred from funds created pursuant to Iowa Code sections [16.5\(1\)\(s\)](#) and [15.106A\(1\)\(o\)](#) with prior approval from the Governor.

The Program first received funding in FY 2025 from a [transfer](#) of approximately \$6.5 million. This funding originated from the Homestead Property Tax Credit Aid standing unlimited appropriation under the Iowa Department of Revenue (IDR) and was routed through the Iowa Economic Development Authority (IEDA).

Uses of Funds

Moneys in the Fund are used by the IFA for the operation of a forgivable loan and grant program for homeowners and renters with disaster-affected homes, and for the Eviction Prevention Program in Iowa Code section [16.57C](#). Once the Governor issues a State of Disaster Emergency Proclamation under Iowa Code section [29C.6](#), assistance may be distributed from the Fund.

Forgivable loans made to homeowners under the Program are for a period of five years, bear no interest, and may be up to \$50,000. The loans are forgiven at a rate of 1/60th of the principal of the loan per month. A forgivable loan to a homeowner may be awarded for repairs or rehabilitation of the disaster-affected home or for a down payment on the purchase of replacement housing that is not located in a one-hundred-year floodplain.

Grants made to renters under the Program may be for up to six months of rent assistance and may be up to \$5,000. If a renter is referred to the IFA or to a local administrator by the disaster case manager of the renter, the IFA may award a grant to the eligible renter to provide short-term financial assistance for the payment of rent for replacement housing.

Grants awarded under the Eviction Prevention Program may be made to eligible renters and to eviction prevention partners. Grants awarded to eligible renters may be for up to six months of rent assistance and up to \$5,000 with the purpose of keeping the renters in their current residences. Grants awarded to eviction prevention partners must be used to pay for rent or services provided to eligible renters for the purpose of preventing eviction.

Eligibility

Homeowners must meet all of the following requirements to be eligible for a forgivable loan under the Program:

More Information

Iowa Finance Authority: iowafinance.com

Department of Homeland Security and Emergency Management: homelandsecurity.iowa.gov

LSA Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

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- The homeowner's disaster-affected home must have sustained damage greater than the damage that is covered by the homeowner's property and casualty insurance policy insuring the home plus any other State or federal disaster-related financial assistance that the homeowner is eligible to receive.
 - A local official must either deem the disaster-affected home suitable for rehabilitation or damaged beyond reasonable repair.
 - The disaster-affected home is not eligible for buyout by the county or city where the disaster-affected home is located, or the homeowner is requesting a forgivable loan in lieu of a buyout.
 - The forgivable loan does not duplicate benefits provided by any other governmental program.

Renters must meet all of the following requirements to be eligible for a grant under the Program:

- A local administrator either deems the disaster-affected home of the renter suitable for rehabilitation but unsuitable for current short-term habitation, or the disaster-affected home is damaged beyond reasonable repair.
- The grant does not duplicate benefits provided by any other governmental program.

Renters must meet all of the following requirements to be eligible for a grant under the Eviction Prevention Program:

- The renter must have a household income at or below 80.0% of the area median income.
- The renter must be at risk of eviction and be a party to a written lease.
- The landlord must reside at a different address from the renter.

Related Statutes and Administrative Rules

Iowa Code sections [16.57A](#), [16.57B](#), [16.57C](#), [16.57D](#), and [29C.6](#)
Iowa Administrative Code [265—29](#)

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