

Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund – Application Review, Scoring and Allocation

The Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF) provides capitalization grants to states, eligible federally recognized tribes, territories, and the District of Columbia to establish a revolving loan fund. The entity loan fund offers loans to local governments to reduce risks from natural hazards and disasters. The following details how FEMA reviews applications for this program. It includes the assessment, scoring, and funding allocation processes.

Background

A complete grant application package must include:

- A Standard Application for Federal Assistance (SF-424).
- A program-specific capitalization grant form.
- An Intended Use Plan (IUP).
- A Project Proposal List (PPL).

FEMA reviews each package to see if the applicants are eligible for funding. If they are, FEMA will use the information to calculate the grant amount they may receive. Learn more about entity eligibility and program requirements on the [Safeguarding Tomorrow RLF program](#) webpage.

Review and Evaluation of the Application

The application must have all required documentation, including a FEMA-approved Hazard Mitigation Plan (HMP). During the application review, FEMA will determine if the applicant has the capacity and financial integrity to manage the fund while meeting the statutory priorities of the program. This review will affect how much funding the entity may receive.

Initial Review

When FEMA gets an application, it will confirm that the applicant:



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- Is eligible. It may be a state, territory, the District of Columbia, or federally recognized tribal government.
- Has a state or tribal HMP approved by FEMA. The HMP must meet [Title 44 of the Code of Federal Regulations \(CFR\) Part 201](#). It must be approved at the time of application and when the award is obligated.
- Has submitted all the required materials, including the IUP and PPL. These must meet the requirements for public comment and public notice to show that planning was transparent and involved the community.

Eligibility and Completeness Review

In reviewing the eligible applications, FEMA will see if the IUP and PPL meet the statutory requirements. FEMA will assess if the applicant can create an entity loan fund, administer it, and provide the required 10% cost match. The review will also note how well the plan promotes equity. A plan can show this by supporting local governments and projects in low-income and disadvantaged communities. More information on equity goals for the program and how to meet them is in the Notice of Funding Opportunity (NOFO).

A strong IUP will thoroughly address these elements:

- **Interest Rates:** Describe how the entity will apply interest rates to loans. The interest rate must not exceed 1%. The IUP should have details on the criteria and the rationale for setting interest rates. It should note any plans to change rates for specific projects or disadvantaged communities.
- **Loan Repayment:** Outline the schedules and timelines for repaying the loans. Include the terms for standard loan repayment. Are there any options for early repayment? Note if the plan will offer a borrower any flexibility based on a project timeline or financial situation.
- **Repayment Sources:** Specify acceptable repayment sources. These may be tax revenues, utility fees, or other dedicated revenue streams. The IUP must show that borrowers have a reliable and sustainable way to repay the loans.
- **Fees:** Explain how the entity will handle loan fees. What application fees, origination fees, servicing fees, or other charges could a borrower incur? Justify these fees and state how they will be applied and collected.
- **Selecting and Awarding Loans:** Detail the criteria and methods used to select and award the loans. How will the entity evaluate a loan application, prioritize a project, and decide funding? The criteria might include project readiness, potential for reducing risk, and cost-effectiveness. It might also include the alignment with a local or regional HMP.
- **Distribution Based on Financial Need:** State how the entity will see that loan funds go to the local governments with the most financial need. How will the entity assess financial needs and identify disadvantaged communities? The entity must identify ways to ensure equitable access to loans.
- **Managing Loan Funds:** Clarify how it will manage the loan funds. Include ways to oversee the administrative and financial actions. Cover the entity's structure for managing funds, roles and responsibilities, and what it is

required to monitor and report. Also, cover any strategies to keep the entity loan fund sustainable and accountable.

- **Reducing Risk:** Explain how the entity will confirm that funded projects contribute to specific elements of risk reduction. These might be to reduce insurance losses, to minimize the exposure to hazards, or to enhance community resilience. Include the criteria used to evaluate the risk reduction potential of the projects. Also, note how you will measure and document the reduced risk and that the project aligns with broader risk management plans.

Please see the IUP Template and Guidance for more details.

Financial Integrity Criteria

FEMA must review other criteria before awarding federal funds (See [31 U.S.C. § 3354](#) [Payment Integrity Information Act of 2019], [41 U.S.C. § 2313](#), and [2 CFR § 200.206](#)). It must check repositories designated by OMB (e.g., [SAM.gov](#)). This will show if the applicant is excluded from receiving a federal award and will identify any flagged for integrity issues. FEMA may also ask other questions to assess pre-award risk. It will evaluate the following criteria:

- **Financial Stability:** Is the applicant financially healthy? How does it plan for and evaluate its funding over the long term? Does it use cash flow modeling or other accepted methods? Can it sustain its financial integrity and manage the fund effectively?
- **Management Quality:** What is the quality of the applicant's management systems? This helps FEMA see if the applicant can meet the management standards and effectively administer the loan fund. It will assess the organizational structure, operational procedures and internal controls.
- **Performance History:** How well did it manage past federal awards? This will help FEMA gauge the reliability and effectiveness of the applicant. FEMA will see if it complied with federal requirements in the past, check for timely project completion, and if it managed its awarded funds well.
- **Audit Reports:** FEMA will look at previous audits to identify past issues or irregularities. This helps to assess the applicant's financial accountability, transparency and if they resolved any prior findings or issues.
- **Ability to Implement:** Can they carry out the proposed projects efficiently and effectively? FEMA will review the applicant's work on similar projects to see how they tried to meet the program objectives and assess their readiness. This will show if the applicant can meet the statutory, regulatory or other requirements.

Supplemental Financial Integrity Criteria and Review

The simplified acquisition threshold is \$250,000. Some federal awards may be higher than that. In this case, FEMA reviews them in a specific way.

- **Integrity and Performance Review:** FEMA will review information about the applicant and its related entities (owners, subsidiaries, and predecessors) in the Federal Awardee Performance and Integrity Information System (FAPIIS), which is accessed via [SAM.gov](https://sam.gov). This is required by [41 U.S.C. § 2313](#) and [2 C.F.R. § 200.206\(a\)\(2\)](#).
- **Consideration of Comments:** FEMA will consider comments made by the applicant and other FAPIIS information. It will use them to assess the applicant's integrity, business ethics, and performance record to evaluate the risk posed by the applicant.

Statutory Priorities Criteria

The previous process identifies the entities that can administer the funds. Their applications will then be evaluated based on the statutory priorities. These are established in [42 U.S.C. § 5135\(d\)\(3\)](#).

- **Priority 1 - Risk Reduction and Resilience:** Will projects increase resilience? Will they reduce the risk of harm to natural and built infrastructure?
- **Priority 2 - Partnerships:** Does the application support collaborations between two or more eligible entities to carry out a project or similar projects?
- **Priority 3 - Regional Impacts:** Does the application consider regional hazards affecting river basins, corridors, watersheds, estuaries, coastal areas, and zones at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires, including the wildland urban interface?
- **Priority 4 - Major Economic Sectors:** Will the entity loan fund enhance the resilience of major economic sectors? This priority also applies to critical national infrastructure.

Scoring and Allocation

Scoring

The award of funding is based on how well an applicant addresses each priority of the statute. The entity loan fund must integrate the statute priorities' criteria in a meaningful way, and the IUP should show how it does that. A robust application will use these priorities to display how it aligns with the objectives and requirements of the program. Entities must show alignment with priorities in how they choose projects. It can also include projects in the PPL that directly support them.

- For each of the four priorities, FEMA will determine if it meets priority criteria based on the following standards.
 - **Meets Priority Criteria:** The application and any referenced documents are detailed and offer a broad view of the priorities and the level of depth is reasonable. It shows exceptional regard for how the priorities add to entity loan fund operation and how they will be considered in future planning. The scoring method for prioritizing projects actively promotes the priorities, plus the PPL supports them.

- **Does Not Meet Priority Criteria:** The application and any referenced documents have little to no information about the priority. They have a minimal explanation or consideration of how to add or address the priority. Projects in the PPL do not support or align with the priorities.

Below are examples for each of the Statute Priorities Criteria.

Priority 1: Risk Reduction and Resilience

To meet this priority, proposals finance projects to increase resilience and reduce the risk of harm to natural resources and assets.

- **Examples of meeting the criteria:** The application tells how the entity loan fund will reduce risk and enhance resilience in the community. It focuses on the primary natural hazard risks—major and most likely natural threats a community faces. These could include floods, hurricanes, wildfires, earthquakes, tornadoes, or severe storms. It may quantify the benefits in the benefit-cost analysis required by other programs or innovative approaches. The entity loan fund will reduce the risk of the primary natural hazards and offer ancillary benefits. It might reduce carbon emissions by integrating low-carbon materials into project designs. It could address social inequities and provide robust support to those in greatest need. It may enhance community resilience through cybersecurity best practices. It could benefit the workforce and the economy. The application also aligns with the state HMP and other relevant planning documents. The proposed projects are aligned with the mission areas of partners. These may be nongovernmental organizations, community-based groups, and others. This shows that it collaborates and shares resources with these groups.
- **Examples of not meeting the criteria:** The application provides little to no information about resilience or reducing risk. It may say that it will be determined later. It offers little to no explanation or consideration of how it adds to or addresses the priority. The application fails to detail how the entity will reduce risk or increase resilience in the community, nor does it quantify any benefits. The proposed projects do not meet the program's criteria for hazard mitigation.

Priority 2: Partnerships

To meet this priority, a proposal must support the collaboration of two or more eligible entities to carry out a project or similar projects. It is not enough to simply list partnerships. Take time to plan for partnerships and think of how they could help carry out a project. Many types of partnerships may help implement projects. This priority focuses on partnerships between eligible entities as defined by the program.

- **Examples of meeting the criteria:** The application highlights strong, high-level partnerships with state, territory, or tribal entities for effective project work. These partnerships show a cooperative approach to meeting the community's needs. This is particularly true for overburdened populations with few resources. The outcomes of these partnerships are documented. Partnerships may include using each other's financial, material, and educational tools and coordinating on multijurisdictional projects. Partnerships also emphasize issues related to equity.
- **Examples of not meeting the criteria:** The application materials and documents have little to no information about partnerships, offer few details on how they are used and do not show partnerships between eligible

entities. It does not state how collaboration would help meet community needs. There is a lack of comprehensive planning and partnership outreach.

Priority 3: Regional Impacts

To meet this priority, applications must consider regional hazards. These are natural events that can cause widespread damage or disrupt large geographical areas. They touch more than one community or ecosystem. Regional hazards may affect river basins, corridors, watersheds, estuaries, and coastal areas. They cover zones at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires, including the wildland-urban interface.

- **Examples of meeting the criteria:** The application clearly shows a strategic approach to mitigating the risk of regional impacts and gives detailed plans for addressing these risks. It includes work by the loan applicants and relevant regional leaders. The application thoroughly outlines how the entity plans to mitigate the risk of these hazards through coordination and sharing resources. Previous best practices are added to the plan for the entity loan fund administration. The HMP is used when relevant.
- **Examples of not meeting the criteria:** The application does not adequately address regional hazards, nor does it have detailed plans. It fails to show how the entity will mitigate these regional risks.

Priority 4: Major Economic Sectors

Applications should describe how they will enhance the resilience of major economic sectors or critical national infrastructure. This will show how they plan to meet the priority criteria for major economic sectors.

- **Examples of meeting the criteria:** The application accounts for critical assets and major economic sectors in planning for the revolving loan fund. It promotes the inclusion of projects in the PPL that account for these sectors' vital role in the community's economic stability and resilience. The application includes innovative solutions to enhance hazard mitigation outcomes. It could use advanced mapping and data technologies. It may add an inclusive planning process that engages diverse partners. It could have expanded criteria that prioritize fairness, address needs and anticipate future challenges.
- **Examples of not meeting the criteria:** The application does not meaningfully consider critical assets or major economic sectors and fails to add them to the revolving loan funding plan. It lacks ways to improve the outcomes of hazard mitigation. It shows little to no inclusive planning and does not address equity. It does not support or enhance the communities' economic resilience or hazard preparedness.

We encourage entities to follow the guidance in the selection examples closely, because they can help in drafting an application. Entities are much more likely to secure funding if they address each statutory priority and ensure a meaningful integration.

Allocation

Applicants that meet the basic eligibility and financial integrity criteria may receive the base funding amount. More funding may be awarded based on whether the applicant meets the program's priority criteria. The awards are

granted based on both the merit and the potential impacts of the proposed projects. For details on the additional funding amounts that may be made available based on each priority criteria, refer to the NOFO.

Additional Information

Additional information and resources are available on the [Safeguarding Tomorrow RLF website | FEMA.gov](#). FEMA will update the program resources and materials as needed. Send comments and questions by email to FEMA-STORMRLF@fema.dhs.gov.