

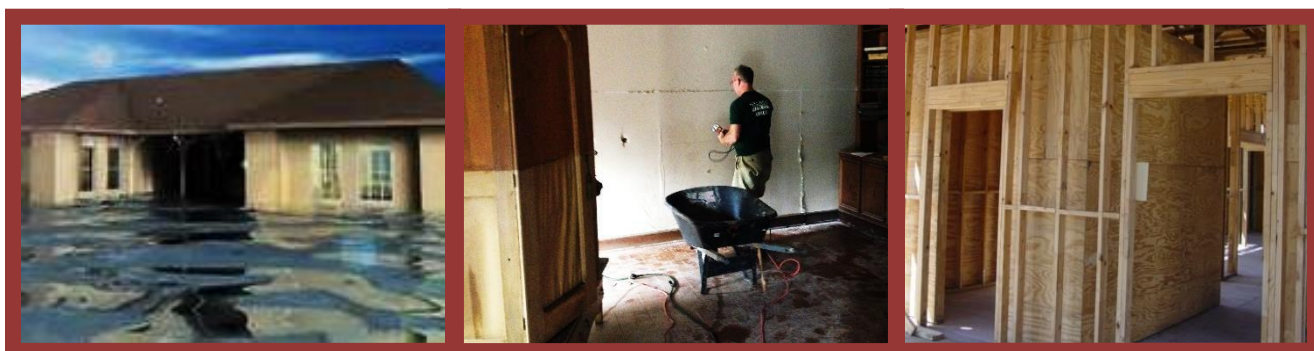
DISASTER RECOVERY INITIATIVE  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Allocations, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Disasters Occurring in 2016  
*The Continuing Appropriations Act, 2017, The Further Continuing and Security Assistance Appropriations Act, 2017 and The Consolidated Appropriations Act, 2017 (Public Law 114-223, 114-254 and 115-31)*

Federal Register Docket No.

FR-5989-N-01, FR-6012-N-01 and FR-6039-N-01, FR-6136-N-01, FR-6169-N-01, FR-6169-N-02

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT, DISASTER RECOVERY UNIT



STATE OF LOUISIANA  
SUBSTANTIAL ACTION PLAN AMENDMENT No. 12  
FOR THE UTILIZATION OF  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS  
IN RESPONSE TO THE GREAT FLOODS OF 2016

Public Comment Period: July 23, 2019 until  
5 p.m. Aug. 5, 2019

SUBMITTED TO HUD: August 14, 2019 \*Partially APPROVED BY HUD: October 11,  
2019

[John Bel Edwards](#)

Governor

Billy Nungesser



\*Through letter dated 10/10/19, HUD Partially approved APA 12. HUD found the provision of APA 12 that would allow for the reimbursement of SBA loan costs to homeowners with incomes of greater than 120% of AMI to be substantially incomplete and not consistent with the requirements of the Federal Registrar Notice. The State will post full approval when the criteria is met for the hardship requirements of the Notice.

## Summary of Changes

Action Plan Amendment No. 12 (APA 12) clarifies the State of Louisiana's approach to duplication of benefits (DOB) calculations pursuant to the Disaster Recovery Reform Act of 2018 (DRRA, P.L. 115-254) and subsequent Federal Register Notices 84 FR 28836 and 84 FR 28848 outlining guidance issued by the Department of Housing and Urban Development (HUD) pertaining to the DRRA. Specifically, this APA 12 describes revised housing and economic unmet needs, based on programmatic activities carried out to date through the Restore Louisiana Homeowner Assistance Program (RLHP, Restore, or Program), the Louisiana Neighborhood Landlord Rental Program (LNLRP), and the Small Business Loan Program. Moreover, this APA 12 describes the state's planned methodology to revise DOB calculations for eligible applicants with respect to the DRRA, 84 FR 28836, and 84 FR 28848. For both revised owner-occupied housing unmet needs and revised DOB calculation methodology, this APA 12 describes need and anticipated programmatic impact regarding three population groupings: 1) eligible RLHP applicants with documented household incomes less than or equal to 80% of area median income (AMI), otherwise referred to as low- and moderate-income (LMI) populations; 2) eligible RLHP applicants with documented household incomes between 80% and 120% AMI; and 3) eligible RLHP applicants with documented household incomes in excess of 120% AMI. For revised award calculations disbursed through the LNLRP all additional awards will exclusively benefit LMI populations. For revised awards disbursed through the Small Business Loan Program, anticipated disbursements are broken down by those anticipated to benefit LMI populations and those addressing an Urgent Need (UN).

This APA 12 is considered substantial per guidance issued in 84 FR 28836. However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments. This APA 12 does not propose additional applicants as a result of the DRRA. Regarding the programs referenced expected to be impacted by the DRRA, all intake periods have closed and will not be extended as a result of the DRRA.

Finally, this APA 12 includes a clarification regarding the Interim Housing Assistance program created in Substantial Action Plan Amendment #11 (APA 11). Specifically, this clarification outlines the program's method of distribution.

Regarding the various sections of this APA 12 – including those specific to DRRA adjustments, proposed hardship requirements for populations with incomes in excess of 120% AMI, and clarifications to APA 11 – the state requests that HUD treat these sections as severable from one another for approval purposes. In the event that one section of APA 12 requires further dialogue or analysis, the state requests each section be considered in isolation for a partial approval to allow affected homeowners to proceed in their recovery process in the most efficient and expedient fashion possible.

## Unmet Needs

Based on parameters and requirements outlined in 84 FR 28836 and 84 FR 28848 in response to the DRRA, an updated housing needs assessment must be provided as part of this APA 12 as a condition of disbursing award adjustments based on activities funded with Small Business Administration (SBA) disaster loans. As such, this unmet needs section will serve to accomplish the following: (1) Summarize the state's original unmet housing needs analysis outlined as a result of the Great Floods of 2016; (2) Summarize Louisiana's

approach to address identified unmet needs; (3) Summarize updates to the original unmet needs analysis included as part of APA 11; (4) Outline total remaining unmet housing needs resulting from the Great Floods of 2016, as identified through current recovery program activities, and outlining how the state will address these remaining unmet needs; and (5) Summarize all remaining unmet needs attributable to approved SBA loans, as identified through current recovery program activities, and per adjustments allowable as a result of the DRRRA.

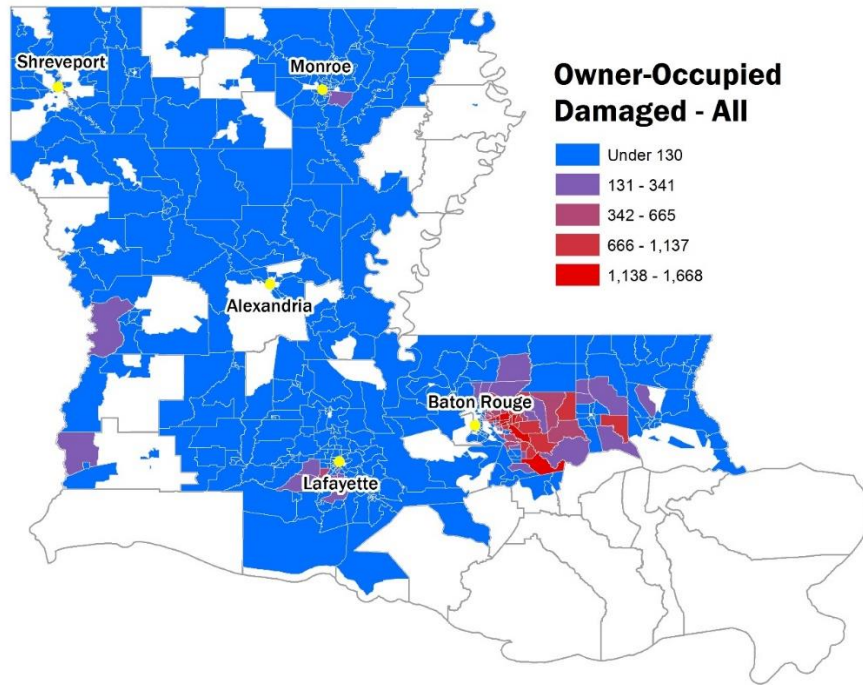
## 1. Original Unmet Housing Needs Assessment for the Great Floods of 2016

For the purpose of this APA 12, the state is limiting its discussion of unmet needs to unmet needs affected by the DRRRA. These revised unmet needs specifically emphasize unmet owner-occupied household needs as these needs are most predominantly impacted as a result of the DRRRA. However, this section will also discuss unmet rental housing needs. The state's original unmet needs analysis was submitted with the state's Master Action Plan in January 2017 and further revised in Action Plan Amendment #1 (APA 1) in February 2017 and in Action Plan Amendment #3 (APA 3) in November 2017. Within the context of this discussion, content within these three documents are collectively considered to be the state's "original unmet needs assessment." The following will summarize this analysis, as well as how the state approached addressing these needs programmatically.

### Impact on Owner-Occupied Households and Estimated Unmet Needs

By far, the greatest number of instances of significant owner-occupied housing damage occurred in the Baton Rouge Capital Region, specifically in East Baton Rouge, Livingston, Ascension and Tangipahoa parishes. Other population centers around Monroe (Ouachita Parish) and Lafayette (Lafayette Parish) also experienced significant owner-occupied housing damages.

For the purposes of this section, the state includes all documented damages to the owner-occupied household population at all levels of damage in tabular format. For mapping purposes, this analysis only includes those households with "major-low," "major-high" and "severe" levels of damage at the census tract. This map below illustrates those housing units with significant and likely unmet needs.

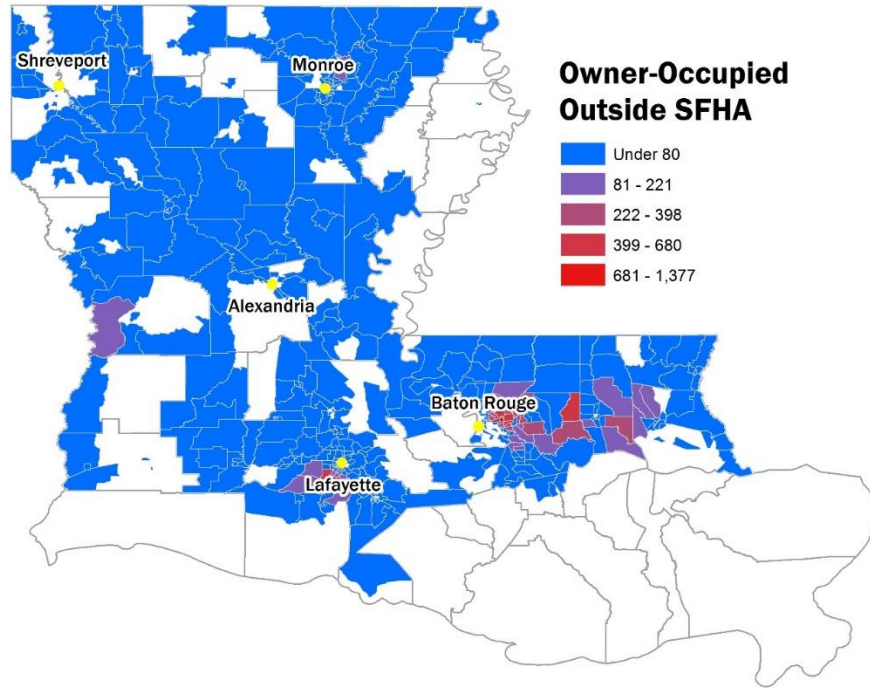


<b>Owner-Occupied Households with Damage</b>		
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>
<b>4263</b>	Severe	675
	Major-High	2,276
	Major-Low	3,979
	Minor-High	1,503
	Minor-Low	8,029
	<b>Total</b>	<b>16,462</b>
<b>4277</b>	Severe	11,249
	Major-High	24,270
	Major-Low	15,182
	Minor-High	3,849
	Minor-Low	13,830
<b>Total</b>	<b>68,380</b>	
	<b>Grand Total</b>	<b>84,842</b>

Moreover, the state specifically noted in its original analysis the high concentrations of impacted owner-occupied households located outside of Special Flood Hazard Areas (SFHAs). Accordingly, these households were not required by their mortgage holders to carry flood insurance.

Specifically, 46,016 impacted owner-occupied households were located outside of the SFHA, representing more than 54 percent of the total affected owner-occupied household population. Additionally, 24,615 of

these households are likely to have unmet housing needs, with damage levels of “major-low,” “major-high” or “severe.” This represents more than 42 percent of the owner-occupied population likely to have unmet needs.

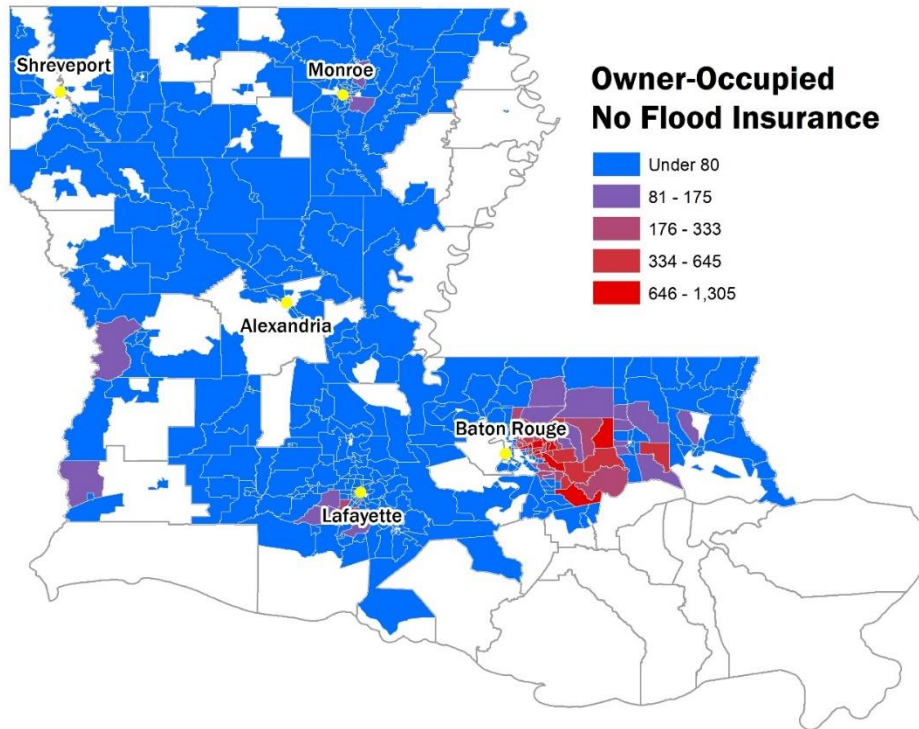


<b>Owner-Occupied Households Outside SFHA</b>		
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>
<b>4263</b>	Severe	292
	Major-High	1,043
	Major-Low	2,116
	Minor-High	1,031
	Minor-Low	6,800
	<b>Total</b>	<b>11,282</b>
<b>4277</b>	Severe	2,896
	Major-High	10,395
	Major-Low	7,873
	Minor-High	2,513
	Minor-Low	11,057
	<b>Total</b>	<b>34,734</b>
	<b>Grand Total</b>	<b>46,016</b>

Unsurprisingly, given the high proportion of impacted owner-occupied households located outside of SFHAs, a disproportionate number of impacted owner-occupied households were reported to lack flood insurance coverage through the National Flood Insurance Program (NFIP). In total, 72 percent of all

impacted owner-occupied households, or 61,069, did not report having insurance. This represented a unique situation for the state, as in previous significant disaster events – hurricanes Katrina, Rita, Gustav, Ike and Isaac - there was a reasonable anticipation some damages may have been attributable to wind or other events that may have been covered by a homeowner’s hazard insurance policy. As these events were flood-exclusive, the state had no such reasonable anticipation any of the losses incurred by this population were met by other insurance policies.

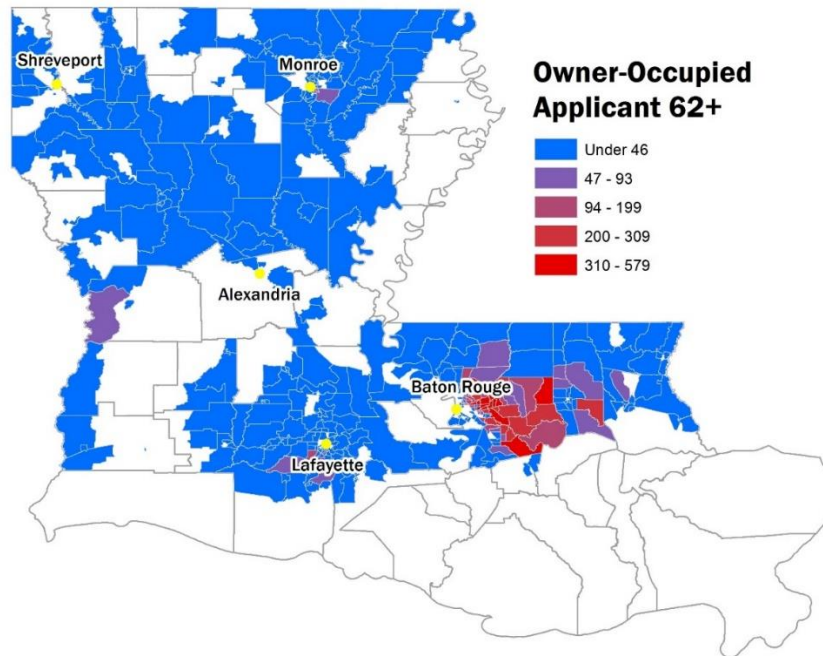
Additionally, it is important to note the high instances of owner-occupied households with significant levels of damage who were uninsured. 36,510 households of the 61,069 uninsured total had damage levels of “major-low,” “major-high” or “severe,” accounting for more than 59 percent of the affected and uninsured owner-occupied population.



Owner-Occupied Households with No Flood Insurance			
Disaster	Damage Category	Households	Percent of Total Damaged
<b>4263</b>	Severe	481	71%
	Major-High	1,448	64%
	Major-Low	3,079	77%
	Minor-High	1,258	84%
	Minor-Low	7,563	94%
	<b>Total</b>	<b>13,829</b>	<b>84%</b>
<b>4277</b>	Severe	6,071	54%
	Major-High	14,470	60%
	Major-Low	10,961	72%

<b>Owner-Occupied Households with No Flood Insurance</b>			
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>	<b>Percent of Total Damaged</b>
	Minor-High	3,130	81%
	Minor-Low	12,608	91%
	<b>Total</b>	<b>47,240</b>	<b>69%</b>
	<b>Grand Total</b>	<b>61,069</b>	<b>72%</b>

For the purposes of this analysis, it is also important to note significant proportions of owner-occupied households with applicants aged 62 or older. In its original unmet needs analysis, the state identified at least 26,783 households with members aged 62 or older in the impacted owner-occupied population, accounting for the limitation that IA data only includes date of birth for the applicant representing the entire household. Using this figure as a baseline, however, at least 31 percent of the affected owner-occupied household population had a member that is 62 or older. Isolating just those households likely to have had unmet needs, at least 18,997 have a household member aged 62 or older. This is at least 32 percent of the owner-occupied household population likely to have had unmet needs.



<b>Owner-Occupied Households with Applicant Aged 62+</b>		
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>
<b>4263</b>	Severe	262
	Major-High	927
	Major-Low	1,363
	Minor-High	478
	Minor-Low	2,491
	<b>Total</b>	<b>5,521</b>
<b>4277</b>	Severe	4,069

<b>Owner-Occupied Households with Applicant Aged 62+</b>		
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>
	Major-High	8,132
	Major-Low	4,244
	Minor-High	1,139
	Minor-Low	3,678
	<b>Total</b>	<b>21,262</b>
	<b>Grand Total</b>	<b>26,783</b>

Based on this original analysis of owner-occupied household unmet needs, the state reported a needs gap of more than \$2.4 billion across an estimated population of 57,631 (including only owner-occupied households with severe, major-high, and major-low damage estimations).

<b>Owner-Occupied Households Unmet Need Calculation</b>			
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>	<b>Estimated Needs</b>
<b>4263</b>	Severe	675	\$ 40,157,775
	Major-High	2,276	\$ 103,985,888
	Major-Low	3,979	\$ 109,243,445
	Minor-High	1,503	\$ -
	Minor-Low	8,029	\$ -
	<b>Total</b>	<b>16,462</b>	<b>\$ 253,387,108</b>
<b>4277</b>	Severe	11,249	\$ 669,236,757
	Major-High	24,270	\$ 1,108,847,760
	Major-Low	15,182	\$ 416,821,810
	Minor-High	3,849	\$ -
	Minor-Low	13,830	\$ -
	<b>Total</b>	<b>68,380</b>	<b>\$ 2,194,906,327</b>
	<b>Grand Total</b>	<b>84,842</b>	<b>\$ 2,448,293,435</b>

It is especially important to note the state deferred to HUD's published methodology to calculate anticipated unmet needs for the owner-occupied household population. As such, this methodology did not additionally contemplate resources disbursed through FEMA, SBA or NFIP. However, the state did include in its original analysis reporting statistics relative to approved SBA Disaster Home Loans.

<b>Approved SBA Disaster Home Loans (as of 6/6/17)</b>		
<b>Disaster</b>	<b>Approved Loans</b>	<b>Approved Amount</b>
<b>4263</b>	<b>1,678</b>	<b>\$59,947,200</b>
<b>4277</b>	<b>13,202</b>	<b>\$642,577,300</b>
<b>Total</b>	<b>14,880</b>	<b>\$702,524,500</b>

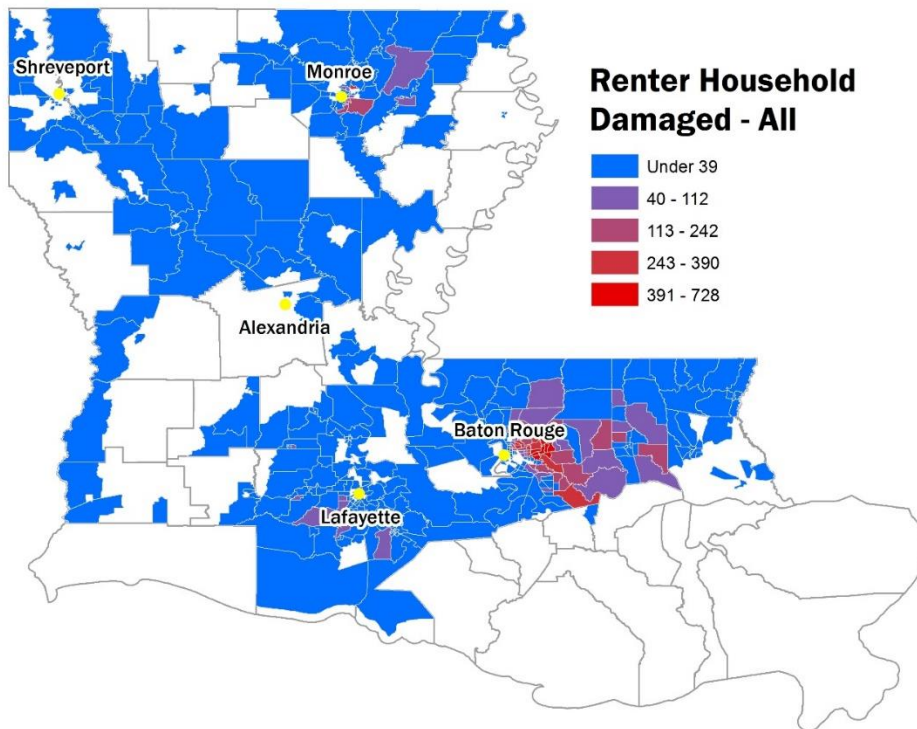
To conclude this analysis for the purposes of this APA 12, the state notes the above-referenced statistical demonstrations of specific adverse conditions existing as a result of the Great Floods of 2016 that may have compelled affected owner-occupied households to accept SBA Disaster Loans when they may not have otherwise done so. These conditions include: (1) high concentrations of affected households located

outside of defined SFHAs; (2) high concentrations of affected households reported to carry no flood insurance; and, (3) high numbers of affected households represented by applicants aged 62 and older, and therefore more likely to rely on fixed incomes.

#### Impact on Renter Households and Estimated Unmet Needs

While it is anticipated the DRRRA will have only minor impact on remaining rental unmet needs, it is important to note significant statewide impacts to renter households as a result of the Great Floods of 2016. The greatest number of instances of renter household damages occurred in Ouachita (DR-4263), East Baton Rouge and Livingston (both DR-4277) parishes. Other parishes with significant impacts to renter populations include Ascension and Tangipahoa parishes.

For the purposes of this section, the state has included all documented damages to the renter household population at all levels of damage in tabular format. For mapping purposes, this analysis only includes those households with “major-low,” “major-high” and “severe” levels of damage.



Renter Households with Damage		
Disaster	Damage Category	Households
4263	Severe	279
	Major-High	1,204
	Major-Low	1,309
	Minor-High	876
	Minor-Low	1,554

	<b>Total</b>	<b>5,222</b>
<b>4277</b>	Severe	3,838
	Major-High	8,097
	Major-Low	6,182
	Minor-High	1,818
	Minor-Low	3,313
	<b>Total</b>	<b>23,248</b>
	<b>Grand Total</b>	<b>28,470</b>

Additionally of note, the vast majority of affected renter households were LMI, or more than 76 percent of the total affected rental household population.

<b>LMI Renter Households</b>		
<b>Disaster</b>	<b>Damage Category</b>	<b>Households</b>
<b>4263</b>	Severe	205
	Major-High	916
	Major-Low	1,037
	Minor-High	737
	Minor-Low	1,350
	<b>Total</b>	<b>4,245</b>
<b>4277</b>	Severe	2,850
	Major-High	5,822
	Major-Low	4,717
	Minor-High	1,441
	Minor-Low	2,731
	<b>Total</b>	<b>17,561</b>
	<b>Grand Total</b>	<b>21,806</b>

## 2. Louisiana’s Approach to Address Unmet Needs

### Owner-Occupied Households

In response to identified unmet housing needs, the state created the Restore Louisiana Homeowner Assistance Program (RLHP, Restore, or Program). Restore is dedicated to helping homeowners affected by the Great Floods of 2016 repair and restore their damaged homes, or get reimbursed for work already completed.

Initially, the state used the above-referenced unmet needs data to target outreach and engagement efforts – including opening intake centers in Baton Rouge, Hammond, Lafayette, and Monroe – ensuring affected populations had maximal opportunity to seek and receive programmatic assistance through Restore. These outreach and engagement events are summarized below (all Restore data presented as of 5/31/19):

<b>Overview of Restore Outreach and Engagement</b>	
<b>Type</b>	<b>Number</b>
<b>Completed Calls</b>	<b>329,848</b>
<b>Appointments Held</b>	<b>82,516</b>
<b>Events Hosted/Participated In</b>	<b>411</b>

In conjunction with Restore’s intake process, all impacted homeowners – regardless of whether those households were anticipated to have unmet needs stemming from documented major or severe damages – were encouraged to complete a brief survey to gather information about potential unmet needs related to repair or reconstruction of their flooded home. Initial outreach efforts encouraging potentially-affected homeowners to fill out a survey included postcards, e-mails, and phone calls to the more than 84,000 homeowners indicated to have damage. Television and radio public service announcements were placed in all key media markets across the state encouraging flood-impacted homeowners to submit an initial survey. Restore staff were sent door-to-door in flood-impacted neighborhoods to leave a door hanger with Program information or to meet with a homeowner to complete the survey in real time.

As the initial survey deadline approached on July 20, 2018, the Program launched a second comprehensive outreach campaign encouraging homeowners to complete the survey before the deadline. The Program’s messaging specifically emphasized, “The Program will be unable to consider those homeowners who have not submitted a survey by the new deadline, even if Program rules are expanded. For example, under current federal guidelines, many who have been approved for Small Business Administration loans to repair their homes whether they used all, a portion or none of the loan, are not able to access assistance from the Program because the SBA loan is considered a duplication of benefits. However, if Congress makes any changes to this regulation, only those homeowners who have already completed the survey will be considered.”

On September 24, 2018, the state opened a second survey period through October 19, 2018 in response to pending DRRRA legislation. Between September 24, 2018, and November 16, 2018, the Program conducted a third comprehensive outreach campaign targeting homeowners who had never submitted a survey or application, but were most likely to qualify and be eligible based on the state’s analysis of FEMA IA data. These efforts included e-mails, mailers, phone calls, and text messages. The Program also conducted numerous media announcements via radio and television throughout impacted parishes. Messaging associated with these activities again emphasized, “The Program will be unable to consider those homeowners who have not submitted a survey by the new deadline, even if Program rules are expanded.”

Responses to the survey were then used to determine phased invitations to homeowners to complete a formal application, based on the state’s desire to prioritize LMI, elderly, and special needs populations for assistance. The final deadline to submit an initial survey to the Restore program was October 19, 2018 and the final deadline to submit a formal application was November 16, 2018. Moreover, homeowners invited to complete an application were further required to meet the below eligibility criteria:

- Owner-occupant at the time of the disaster event;
- Damaged address was the applicant’s primary residence at the time of the disaster event;
- Applicant suffered damage as a result of the Great Floods of 2016;
- The structure is eligible based on program requirements, including single-family housing units,

- duplexes, mobile homes, and condominiums;
- Damaged address is located in one of the 51 parishes declared eligible for FEMA Individual Assistance.

Qualifying homeowners eligible for assistance were allowed to choose from three programmatic options based on their progress in their own recovery efforts and their capacity to complete remaining work: Solution 1 (program-managed construction), Solution 2 (homeowner-managed construction), and/or Solution 3 (reimbursement for work already completed). To date, 99% of grant determinations have been completed, and the program is now largely focused on assisting homeowners with finishing their construction projects. Pertinent statistics related to Restore’s intake process are included below:

<b>Overview of Restore Program Intake</b>	
<b>Metric</b>	<b>Number</b>
<b>Estimated Owner-Occupied Households with Damage</b>	<b>84,842</b>
<b>Estimated Owner-Occupied Households with Unmet Needs (FEMA Major/Severe Damage)</b>	<b>57,631</b>
<b>Surveys Submitted to the Program</b>	<b>56,262</b>
<b>Households Invited to Submit Applications</b>	<b>45,874</b>
<b>Applications Submitted to the Program</b>	<b>43,206</b>
<b>Grant Determinations Made</b>	<b>43,182</b>
<b><i>Grant Awards Offered</i></b>	<b>15,348</b>
<b><i>Zero Award</i></b>	<b>11,460</b>
<b><i>Ineligible Determination</i></b>	<b>10,584</b>
<b><i>Withdrawn by Applicant</i></b>	<b>5,790</b>

These activities have led to significant investments in recovery efforts tailored to owner-occupied household populations, summarized below:

<b>Summary of Restore Program Awards</b>		
<b>Status</b>	<b>Number</b>	<b>Amount</b>
<b>Grant Awards Offered</b>	<b>15,348</b>	<b>\$553,398,583</b>
<b>Grant Awards Obligated</b>	<b>13,985</b>	<b>\$500,244,049</b>
<b>Total Disbursements</b>	<b>12,849</b>	<b>\$397,738,564</b>

Of specific relevance to this APA 12, the majority of applicants eligible for grant awards have been eligible for reimbursement assistance through Solution 3, indicating a significant proportion of households choosing to take advantage of any resources at their disposal, including SBA Disaster Loans, to effectuate recovery activities prior to the availability of CDBG-DR resources. In total 10,960 obligated awards, more than 78% of all awards, include eligible reimbursement assistance.

Summary of Grant Awards Obligated			
Type	Number	% of Total	Amount Obligated
Solution 1 Only	636	5%	\$50,808,731
Solution 2 Only	2,389	17%	\$89,182,480
Solution 3 Only	2,805	20%	\$73,948,093
Solution 3 and 1	1,943	14%	\$78,681,217
Solution 3 and 2	6,212	44%	\$207,623,528

### Renter Households

To date, the state has utilized three separate programmatic mechanisms to address unmet rental housing needs:

- **Louisiana Neighborhood Landlord Rental Program (LNLRP):** Provides financial assistance in the form of a permanent loan to fund construction activities necessary for reconstruction, rehabilitation, and new construction of rental developments of 7 or fewer units;
- **Multifamily Restoration Gap Program (MRGP):** Provides financial assistance for repair and restoration of flood-impacted units within developments of 20 or more units;
- **Multifamily Piggyback Program:** Provides funding for the new construction or acquisition/rehabilitation of multifamily affordable housing developments utilizing a combined form of financing leveraging CDBG-DR resources with Low Income Housing Tax Credits (LIHTCs).

For the purposes of this APA 12, only the LNLRP is potentially impacted through the DRRA. As of June 25, 2019, the program had developed an intake pipeline of 344 rental units across portions of the state affected by the Great Floods of 2016. Of the 344, 65 were ready to close on their CDBG funds, 47 had been issued notices to proceed or were under construction, 17 had completed construction, and the remaining 215 were in process leading up to a potential closing date.

### Businesses

In response to the identified unmet needs of businesses, the state created the Small Business Loan and Grant Program for disaster-impacted small businesses for non-construction related expenses.

Through this program, the state has conducted extensive outreach to the business community including:

- State-sponsored radio and online advertising campaigns and press releases;
- Direct outreach to chambers of commerce, parish and local elected officials, the Louisiana Municipal Association, and the Louisiana Business Emergency Operations Center;
- State-sponsored Restore LA community outreach events;
- Subrecipient-hosted intake centers throughout their designated service areas;
- Individual marketing campaigns by subrecipients (billboards, radio ads, door-to-door, social media, phone);
- Subrecipient-organized meetings with chambers of commerce in assigned parishes, local banks, economic development commissions, and business associations;
- Subrecipient-hosted presentations at conferences, commercial banks, and town hall meetings;

- Interviews with TV and radio stations.

As a result of these activities, eligible applicants were issued awards up to \$150,000. To date, the program has assisted 300 small businesses.

<b>Summary of Business Loan and Grant Program Awards</b>	
<b>Status</b>	<b>Amount</b>
Loan Applicants	602
Loans canceled by applicant or denied due to not meeting program or underwriting requirements	302
Loans Funded to Date	300
<b>Total Value Funded to Date</b>	<b>\$34,861,266</b>

### 3. Unmet Needs Revisions in APA 11

Reflecting shifting needs as a result of Restore programmatic intake and award activities, APA 11 shifted resources toward additional unmet needs not originally anticipated in the state’s unmet needs analysis. Specifically, APA 11 noted the need for expanded flexibility for eligible Restore grant recipients to receive additional resources toward the purchase of required flood insurance coverage prior to closeout. Moreover, it also noted specific barriers for households to complete repairs due to their inability to pay for interim housing costs while those repairs were underway. As such, APA 11 provided for assistance for unmet needs related to additional eligible rental or mortgage expenses, for up to 20 months, for households at or below 120% AMI who are also active applicant households in Restore. Additionally, APA 11 shifted resources toward a variety of rental, homeownership assistance, and homelessness prevention programs, all predominantly benefitting LMI populations, in recognition of both diminished unmet needs for owner-occupied housing rehabilitation needs and increased unmet needs in other housing program areas.

Of specific interest to this APA 12, APA 11 noted the significant – and unexpected – delta between Restore applications received (43,205 as of 5/31/19) and the number of grant awards offered (15,434 as of 5/31/19). Moreover, APA 11 referenced a point-in-time estimate of more than 6,200 applicants who may be eligible for additional grant assistance based on an analysis of Restore applications who had SBA Disaster Loan assistance listed as a duplication as part of their original grant calculations.

### 4. Remaining Unmet Needs

For the purpose of APA 12, this analysis places specific emphasis on remaining owner-occupant household unmet needs to be served through the Restore Louisiana Homeowner Assistance Program and the \$1,163,896,906 currently allocated to the Program. As such, APA 12 provides no further revision to unmet housing needs described in APA 11. Therefore, APA 11 remains the state’s most up-to-date assessment of unmet needs related to flood insurance assistance, interim housing, rental programs, permanent supportive housing programs, neighborhood stabilization initiatives, and homelessness prevention activities funded with CDBG-DR grant resources ascribed to Great Flood of 2016 recovery efforts.

Per this APA 12, the state believes there are remaining owner-occupant household unmet needs in four categories: (1) Awards pending grant determinations; (2) Possible awards as a result of appeals in progress; (3) Awards offered or obligated and pending disbursement; and, (4) Awards adjusted or

rendered eligible as a result of the DRRA. These categories are briefly summarized below:

<b>Summary of Remaining Owner-Occupant Unmet Needs</b>	
<b>Type</b>	<b>Number</b>
<b>Awards Pending Grant Determination</b>	<b>24</b>
<b>Possible Awards as a Result of Appeals</b>	<b>8</b>
<b>Awards Offered/Obligated Pending Disbursement</b>	<b>2,499</b>
<b>Awards Adjusted/Eligible per DRRA</b>	<b>6,592</b>

It is important to note the state does not anticipate additional owner-occupant household unmet needs in addition to those outlined here. In recognition of the above-referenced extensive outreach and engagement efforts employed by the Restore Program, the state has exhausted all reasonable efforts to solicit potentially eligible owner-occupied household applicants to the program. Therefore, citing these efforts and the period of time between the Great Floods of 2016 and present, the state asserts that any other owner-occupant household needs emanating from these twin disaster events that could reasonably be addressed through RLHP have been met.

In addition to these owner-occupant unmet needs, the state has identified two additional program areas related to rental housing and small business assistance impacted by the DRRA. These needs are specific to the LNLRP and Small Business Grant and Loan Program. They have been summarized together below:

<b>Additional Unmet Needs Impacted by DRRA</b>	
<b>Type</b>	<b>Number</b>
<b>Landlords Eligible for Award Adjustments through LNLRP</b>	<b>2</b>
<b>Small Businesses Eligible for Award Adjustments</b>	<b>41</b>

APA 11 noted less than anticipated demand for small business assistance. Therefore, similar to owner-occupant household needs, and citing the state’s efforts to advertise the program, the state asserts economic unmet needs attributable to small businesses have been met pending approval of APA 12 and disbursement of these proposed DRRA award adjustments.

However, APA 11 also noted ongoing need to meet rental housing needs following the Great Floods of 2016. In addition to the two adjustments pending approval of APA 12, the state will continue to seek pathways to expand affordable rental housing availability across the disaster-affected region. Following disbursement of DRRA award adjustments to meet remaining owner-occupied and small business needs, the state may examine reprogramming remaining resources toward affordable rental housing needs.

## 5. Grant Award DRRA Adjustment

Specific to the 6,592 owner-occupant applicants who may be eligible for an adjusted grant award through RHLHP, this analysis estimates these awards as previously unacknowledged unmet needs, broken down by income group based on priority for applicants at or below 80% AMI, followed by applicants between 80% AMI and 120% AMI, and applicants exceeding 120% AMI. Note, no other additional RHLHP policy guidelines – specifically those outlining award limits and eligibility requirements – will be affected through this APA 12 or otherwise affected by the DRRA. A summary of RHLHP policy guidelines affected by the DRRA has been included with this APA 12 submission as **Appendix A**. Also, OCD’s DOB guidelines for all

programs are attached as **Appendix C**.

<b>Summary of RHLP Award Adjustments</b>		
<b>Priority</b>	<b>Count</b>	<b>Award Increase</b>
<80%AMI	1,394	\$ 48,152,948
80%-120% AMI	971	\$ 33,809,200
>120%AMI	4,227	\$ 155,864,843
<b>Total</b>	<b>6,592</b>	<b>\$ 237,826,991</b>

In addition to these adjustments through RHLP, pending approval of APA 12, the state anticipates making two adjustments to awards to landlords through LNLRP. Both adjustments will primarily benefit LMI populations.

<b>Summary of LNLRP Award Adjustments</b>	
<b>Number</b>	<b>Award Increase</b>
<b>2</b>	<b>\$ 117,500</b>

Finally, the state anticipates making 41 adjustments through the Small Business Grant and Loan Program.

<b>Summary of Potential Awards per DRRA</b>		
<b>Priority</b>	<b>Applicants</b>	<b>Potential Amount</b>
Businesses meeting LMI National Objective	29	\$1,273,351
Businesses meeting Urgent Need National Objective	12	\$827,029
<b>Totals</b>	<b>41</b>	<b>\$2,100,380</b>

## RLHP Award Adjustment Process

### Phase I: Declined and Undisbursed SBA Disaster Loans

The DRRA mandates the state immediately adjust award calculations for households, regardless of income, in situations in which declined (no signed loan authorization agreement) and undisbursed (signed loan authorization agreement, but no funds drawn) SBA Disaster approved loan amounts were included as DOB. As such, for these eligible populations, Restore will immediately revise DOB guidelines, update homeowner grant award calculations, and disburse funds, irrespective of this APA 12. It is estimated 1,168 homeowners currently have SBA loan amounts counted as DOB which were never drawn-down from SBA either because the loan was declined (863) or the loan, though accepted, had no drawn funds (305).

<b>SBA Zero Draw Population</b>		
<b>Priority</b>	<b>Count</b>	<b>Award Increase</b>
<80%AMI	172	\$ 5,744,232
80%-120% AMI	198	\$ 6,413,567

>120%AMI	798	\$ 26,502,908
<b>Total</b>	<b>1,168</b>	<b>\$ 38,660,707</b>

Additionally, there is a population of homeowners that chose to draw down a portion of their approved SBA loans. For this population, pre-APA 12 award adjustments will only count the drawn down portion as a DOB, effectively increasing these awards. There are approximately 11 households anticipated to receive additional funds as a result of this adjustment.

<b>SBA Partial Draw Population (Award Increase)<sup>1</sup></b>		
<b>Priority</b>	<b>Count</b>	<b>Amount</b>
<80%AMI	2	\$ 59,864
80%-120% AMI	2	\$ 48,239
>120%AMI	7	\$ 112,770
<b>Total</b>	<b>11</b>	<b>\$ 220,873</b>

For these Phase I populations with declined and undisbursed SBA loans, since funds were never received from SBA, SBA will not be a party to disbursements related to these award adjustments. Receipt of these funds is conditioned upon the homeowner's agreeing to the cancellation of undisbursed portions of their approved SBA loans. Restore will issue notifications to SBA regarding these award adjustments per current Restore policies and procedures and existing processes within the Restore program. Disbursement of additional grant proceeds related to these adjustments for declined and undisbursed SBA loans will otherwise be in accordance with existing Restore program policies and procedures requiring executed grant and subrogation agreements and based upon inspections confirming level of work performed. Finally, any homeowners who have yet to close on their Restore grant awards will receive an adjusted grant calculation based on the DRRRA.

Regarding Phase I, the above referenced methodology entails a change in award calculation in accordance with previous action plans and policies and procedures governing the Program. As such, Phase I is outlined here for informational purposes only and is expected to be underway prior to approval of this APA 12.

## Phase II: Disbursed SBA Loan Adjustments

Pending approval of this APA 12, subsequent award adjustments will be made through Restore for homeowners who received funds from SBA (disbursed) which are currently recorded within Restore's grant management system as a DOB. DRRRA guidance allows the Program to remove as DOB funds disbursed through SBA Disaster Loans for all homeowner populations with incomes less than or equal to 120% AMI. The Program will first prioritize LMI homeowner populations for award adjustments. The Program has identified an estimated 1,138 households eligible for approximately \$42,480,893 in award adjustments. In cases where inspections have been completed through the Restore program confirming

<sup>1</sup> Prior HUD guidance dictated that Restore use the total approved SBA loan amount as reported by SBA to determine the amount of SBA DOB. Current HUD guidance requires Restore to update the SBA loan amount to include only the most current amount available (reflecting any changes to the SBA loan since initial approval). This results in the recalculation of DOB for approximately 2,424, removing SBA DOB which is no longer counted against the homeowner. This number is not reflected above as the SBA Partial Draw Population (Award Increase) is based on current SBA available loan amounts as adjusted since initial loan approval. Recalculation for the 2,424 will be complete under Phase 1.

work completed and attributable to SBA disbursements, two-party checks will be issued and payable to both the homeowner and SBA. The state anticipates the process to disburse additional Restore program funds to eligible LMI populations will take less than 30 days once APA 12 is approved. For populations in which inspections have not yet been completed, this timeline may be extended.

<b>LMI Phase II Adjustments (LMI)</b>		
<b>Type</b>	<b>Count</b>	<b>Amount</b>
SBA Partial Draw Population (Reimbursement to SBA)	6	\$ 321,790
SBA 100% Draw Population (Award Increase)	544	\$ 8,858,421
SBA 100% Draw Population (Reimbursement to SBA)	1,132	\$ 33,300,682
<b>Total</b>		<b>\$ 42,480,893</b>

Following adjustments to LMI populations, the Program will begin recalculation and award adjustments for homeowner populations with incomes between 80% and 120% AMI. The Program has identified an estimated 725 households within this second income group eligible for approximately \$27,389,800 in award adjustments. Akin to the methodology described above and applicable to LMI populations, in cases where inspections have been performed through the Restore program confirming work completed and attributable to SBA disbursements, two-party checks will be issued and payable to both the homeowner and SBA.

<b>LMI Phase II Adjustments (80%-120% AMI)</b>		
<b>Type</b>	<b>Count</b>	<b>Amount</b>
SBA Partial Draw Population (Reimbursement to SBA)	3	\$ 125,500
SBA 100% Draw Population (Award Increase)	367	\$ 5,916,248
SBA 100% Draw Population (Reimbursement to SBA)	722	\$ 21,348,052
<b>Total</b>		<b>\$ 27,389,800</b>

Finally, after award adjustments have been calculated and funds have been disbursed to eligible Restore program participants within LMI and 80%-120% AMI population groupings, the Program will follow the same steps proposed above for populations with household incomes in excess of 120% AMI. Additionally, per DRRRA guidance, these populations will be subject to proposed hardship criteria, as outlined below and subject to HUD's approval. Subject to approval of hardship criteria, the Program has identified a maximum of 3,422 households within this third-priority income grouping eligible for approximately \$129,074,719 in award adjustments, if those adjustments were disbursed on a dollar-for-dollar basis.

<b>LMI Phase II Adjustments (&gt;120% AMI)</b>		
<b>Type</b>	<b>Count</b>	<b>Amount</b>
SBA Partial Draw Population (Reimbursement to SBA)	12	\$ 469,333
SBA 100% Draw Population (Award Increase)	1,507	\$ 23,613,028
SBA 100% Draw Population (Reimbursement to SBA)	3,253	\$ 104,992,358
<b>Total</b>		<b>\$ 129,074,719</b>

However, in order to maintain the grant’s requirement that 55% of total resources benefit LMI populations, this APA 12 proposes disbursing funds to populations with incomes in excess of 120% AMI using a multiplier of 0.50. Therefore, potential award adjustments to this third-priority income grouping would potentially change per the following:

<b>LMI Phase II Adjustments (&gt;120% AMI - w/0.5 multiplier)</b>			
<b>Type</b>	<b>Count</b>	<b>Total Amount</b>	<b>Revised Total</b>
SBA Partial Draw Population (Reimbursement to SBA)	12	\$ 469,333	\$ 234,667
SBA 100% Draw Population (Award Increase)	1,507	\$ 23,613,028	\$ 11,806,514
SBA 100% Draw Population (Reimbursement to SBA)	3,253	\$ 104,992,358	\$ 52,496,179
<b>Total</b>		<b>\$ 129,074,719</b>	<b>\$ 64,537,360</b>

Dependent on the proportion of applicants with incomes in excess of 120% AMI who also meet one or more of the approved hardship criteria, the state reserves the right to adjust this multiplier accordingly if it can do so and remain within required overall LMI benefit parameters.

All award adjustments calculated as a result of DOB methodology changes stipulated within the DRRRA are currently available for disbursement with existing programmatic budgets. The total amount projected within the current budget may reach 173.2M with 100% participation and approval. As such, no alterations to existing program budgets are proposed through this APA 12. Additionally, details regarding Restore’s programmatic activities and recordkeeping requirements are further outlined within the Program’s policies and procedures.

#### Hardship Criteria for Homeowner Populations with Incomes Exceeding 120% AMI

In consideration of recommending appropriate hardship criteria OCD conducted a survey among the active Restore homeowner population above 120% AMI related to hardships that have been experienced as a result of damage from the Great Floods. The Program received a 32% participation response. In addition, feedback received from case managers in the program who regularly speak with these homeowners was considered to further inform the state’s hardship criteria. The hardship criteria set out in this APA directly relate to feedback and recommendations provided by the impacted community. The state defines financial necessity as the negative impact of a natural disaster resulting in increased financial debt, obligation or liability on a household that neither could be reasonably expected or planned. Therefore, the state proposes the below hardship criteria representing situations in which the resulting financial necessity may determine it is both necessary and reasonable to provide CDBG-DR assistance to households with incomes exceeding 120% AMI who drew SBA funds:

- **Hardship due to housing cost burden.** Individuals who spend more than 30% of their monthly gross income on housing costs are expected to experience hardship in recovery due to having limited financial resources;
- **Hardship due to SBA loan repayment.** Individuals who spend more than 15% of their monthly discretionary income on SBA loan repayment are expected to experience hardship in recovery due to having limited financial resources;
- **Hardship due to advanced age.** Individuals who are of an advanced age and are retired or for whom retirement is expected during the repayment period of the SBA loan. The reduced income or

anticipated reduction of income that comes with retirement is likely to cause a hardship during the loan repayment period;

- **Hardship due to cost of caring for dependents.** Homeowners responsible for providing care to parents, children, grandchildren, and other dependents have long-term financial commitments to consider when contemplating incurring additional debt. Additional debt would be a burden and limit available resources needed to provide for dependents;
- **Hardship due to major illness and/or death of wage earner.** Households that have experienced a major illness or death of a household wage earner are anticipated to experience hardship in repaying SBA loans and completing recovery;
- **Hardship due to costs associated with higher education for self or dependents.** Tuition and living expenses for dependents in higher education present significant financial needs to homeowners. Household resources are strained to accommodate education-related expenses and homeowners may not have adequate monthly cash flow to support an additional note;
- **Hardship due to loss of employment or reduction in income.** A loss of income or job following the qualifying disaster event can impact the ability to repay a loan;
- **Hardship due to costs associated with disability and/or special needs.** Additional costs related to evacuation, relocation, and rebuilding for a disabled/special needs household puts an increased burden on financial resources that might otherwise be contributed to recovery;
- **Hardship due to depletion of retirement account.** Households who withdraw funds from their retirement account(s) after the qualifying disaster are anticipated to experience hardship during the repayment period of their SBA loan due to the loss of future retirement income.

Additional criteria may be added or considered on a case-by-case basis. Should this scenario arise, the state will consult with appropriate HUD representatives for guidance prior to calculating any award adjustment.

#### Thresholds for Qualification

If a homeowner indicates they fall into one or more of the hardship categories listed above, the Program will analyze documentation provided by the applicant to ensure additional disbursements are both necessary and reasonable. The Program proposes the following thresholds for each qualifier:

Qualifier	Threshold and Method of Determination
Housing Cost Burdened	<p><u>Threshold:</u> Applicants or co-applicants spend more than 30% of gross household income on housing expenses.</p> <p><u>Method of Determination:</u> Completion of household budget worksheet with documentation of housing payment(s).</p>
SBA Loan Repayment Burden	<p><u>Threshold:</u> Applicants or co-applicants spend more than 15% of discretionary income (as defined by the US Department of Education) on SBA loan repayment.</p> <p><u>Method of Determination:</u> Completion of household budget worksheet with documentation of housing</p>

	expenses.
Age of applicant or co-applicant	<p><u>Threshold:</u> Applicants or co-applicants were 50 years or older at the time of the flood.</p> <p><u>Method of Determination:</u> Government ID of the applicant and/or co-applicant as collected during application.</p>
Dependents in the home	<p><u>Threshold:</u> Applicants or co-applicants must have dependents (minors or adults) in their household.</p> <p><u>Method of Determination:</u> Review of dependents listed on applicant/co-applicant tax returns.</p>
Major Illness and/or Death of Wage Earner	<p><u>Threshold:</u> Wage-earner in applicant household suffered from a serious illness or died following the flood event.</p> <p><u>Method of Determination:</u> Medical records and/or death certificate.</p>
Dependents in higher education	<p><u>Threshold:</u> Applicants or co-applicants must have dependents (minors or adults) in their household who are pursuing higher education.</p> <p><u>Method of Determination:</u> Tuition record and tax returns reflecting dependents.</p>
Loss of job or reduction of income following the flood event	<p><u>Threshold:</u> Applicants or co-applicants must have lost their job or experienced a reduction in wages following the flood.</p> <p><u>Method of Determination:</u> Notice of termination, separation, pay stubs or job history.</p>
Disabled/special needs household member	<p><u>Threshold:</u> Applicants or co-applicants must have a household member who has a disability.</p> <p><u>Method of Determination:</u> Verification of disabled household member will be conducted as part of the eligibility screening for the program.</p>

Depletion of Retirement Savings	<u>Threshold:</u> Applicants or co-applicants must have withdrawn funds as an early distribution from a retirement account (IRA, 401k, 403b, etc.) following the applicable flood event.
	<u>Method of Determination:</u> Statements from retirement account showing early distribution of funds.

A copy of draft RLHP policies (V 8.0) reflecting proposed hardship criteria are attached as **Appendix B**.

### LMI Benefit Update

Per 84 FR 28836, grantees are required to provide an update to their overall grant benefit projections to ensure at least 55% of resources will benefit LMI populations accounting for adjusted DOB calculations allowed by the DRRRA. Pending approval of this APA 12, the State of Louisiana remains projected to meet this requirement.

Overall Grant Breakdown Pending APA 12 Approval			
Program Type	Total Allocation	Projected LMI Benefit	% LMI Benefit
Housing Programs	\$ 1,445,927,320	\$ 854,625,826	59.11%
Business & Agriculture Programs	\$ 61,400,000	\$ 44,016,000	71.69%
Infrastructure Programs	\$ 115,000,000	\$ -	0.00%
First Responders Program	\$ 8,000,000	\$ 2,000,000	25.00%
Planning/Administration	\$ 78,079,680	N/A	N/A
<b>Total</b>	<b>1,708,407,000</b>	<b>\$ 900,641,826</b>	<b>55.24%</b>

### APA 11 Clarification

HUD approved the state's APA 11 on June 3, 2019. As part of APA 11, the RLHP was modified to include the Interim Housing Assistance Program. This program is intended to provide interim mortgage assistance for up to 20 months to eligible RLHP applicants displaced from their homes whose household incomes are less than or equal to 120% AMI. This assistance is available to homeowners who are actively working through the RLHP and are currently incurring additional mortgage and/or rental costs in addition to mortgage costs associated with their damaged properties and established prior to the Great Floods of 2016.

Interim mortgage assistance may be provided until repairs and/or reconstruction activities are completed on the applicant's damaged home, up to a maximum of 20 months. Mortgage assistance is limited to households that are currently displaced from their flood-damaged home and are paying an additional housing payment. Assistance is limited to the lesser of the actual monthly payment to a mortgage company or the fair market rent amount of a given area, based on household and bedroom size of the damaged structure. Although this funding is not for rental assistance, in order to maintain consistency of funding processes and amounts, the program will follow a process in calculating benefit for mortgage assistance to mirror the standard process to calculate rental assistance. Mortgage assistance attributable to homes in the special flood hazard area will require the homeowner to maintain flood insurance on that

housing unit in perpetuity. For applicants eligible for monthly rental assistance, awards are limited to the lesser of the actual cost of additional rent or the fair market rent amount in a given area, based on the household and bedroom size of the interim housing.

Many homeowners eligible for this assistance have been paying additional mortgage or rental payments due to their primary residence remaining uninhabitable since the Great Floods of 2016. RLHP requires a homeowner to place all DOB amounts in escrow (Solution 1) or complete repairs up to the amount of DOB as the homeowner's responsibility under Solution 2. Because of the duplicate housing expense experienced by this population of homeowners, their repairs have been delayed due to being unable to close on their grant and access their RLHP grant funds because they can't meet their escrow or homeowner responsibility requirement. As part of the interim mortgage assistance program, homeowners will be required by program policy and grant agreement to utilize all grant funds to satisfy their escrow or homeowner responsibility requirement. Further, the interim mortgage assistance grant award amount will be capped at the DOB amount. By applying the assistance retroactively to reimburse these homeowners for payments already made and requiring as part of the assistance that the homeowner place these awarded funds in escrow or into their home rehabilitation project, it will allow homeowners quicker access to their RLHP grant award funds. This will also allow homeowners to finish their projects sooner than if the mortgage assistance is only calculated prospectively.

By making this change to the interim mortgage assistance program, there will be no new beneficiaries. The eligible population will remain those with damage structures from the Great Floods of 2016, who have household incomes less than or equal to 120% AMI, and who have duplicate mortgage or mortgage and rental payments as a result of their property being damaged and uninhabitable. The amount of the benefit will also be the same as indicated in the above stated terms for calculation. Furthermore, assistance is capped at the amount of DOB for the underlying RLHP grant. As such, the state is providing this clarification to the interim mortgage assistance program language approved in APA 11 to apply same to retroactive mortgage payments up to the amount of the homeowner's DOB.

## Public Comments

This APA 12 is considered substantial based on parameters outlined by 84 FR 28836 in response to the Disaster Recovery Reform Act of 2018 (DRRA). The formal public comment period for the amendment began July 23, 2019 and ran until 5 p.m. Aug. 6, 2019. Citizens and organizations can comment on this amendment via:

- The OCD website, [http://www.doa.la.gov/Pages/ocd-dru/Action\\_Plans.aspx](http://www.doa.la.gov/Pages/ocd-dru/Action_Plans.aspx);
- Emailing them to [ocd@la.gov](mailto:ocd@la.gov);
- Mailing them to Office of Community Development, P.O. Box 94095, 70804-9095, Attn: Janice Lovett; or
- Faxing them to the attention of Janice Lovett at (225) 219-9605.

The plan is available in Vietnamese and Spanish to reach the limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance can contact the OCD office for assistance via the methods listed above.

j. Duplication of Benefits Calculation

The following are sources of funding assistance provided for structural damage and loss that are considered a duplication of benefits and under federal law must be deducted from the grant assistance amount:

1. FEMA

a. *FEMA Individual Assistance (FEMA IA)*

**Definition:** FEMA IA assistance may be provided for home repairs. In the cases where applicants have received assistance for home repairs, that amount will be considered a duplication of benefits by the Program.

**Verification:** FEMA IA will be determined and verified by RLHP through the FEMA NEMIS database. If RLHP is unable to verify the FEMA IA amount through the FEMA NEMIS database, RLHP will use the payment amount provided by the applicant at the time of application. If an applicant can provide documentation demonstrating that the FEMA IA amount provided by the FEMA NEMIS database includes amounts not paid to cover structural loss, RLHP will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

b. *FEMA National Flood Insurance Program (NFIP) Insurance*

**Definition:** Payments for loss to dwellings under NFIP insurance policies are deducted from the grant the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant’s funding assistance award.

**Verification:** The Program will collect flood insurance payment information from the applicant through the application process. In addition, the Program will work directly with NFIP to verify the information provided by the applicant.

**Exception:** Insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits as long as documentation from the mortgage company evidences the payoff was involuntary. The applicant will need to provide a letter from the lender on company letterhead stating that the mortgage payment was force paid or involuntarily paid directly from the insurance company to the lender.

2. SBA

On June 14, 2019, HUD issued updated guidance regarding Small Business Administration (SBA) loans as a duplication of benefits. SBA duplication of benefits is defined below according to FR-6169-N-01. If you are interested in viewing the original definition of SBA duplication of benefits, please see previous versions of published RLHP guidelines.

**Definition:** Federal law require that SBA loans for repair of the damaged dwelling to be counted as a duplication of benefits only in limited circumstances. The SBA-approved loan for repair of the damaged dwelling will be counted as a duplication of benefits, except in the following circumstances:

- **Declined SBA Loans.** Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. If an applicant was approved for a loan but did not execute a loan agreement, the offered loan amount will not be considered a duplication of benefits.
- **Cancelled SBA Loans.** Cancelled loans are loans (or portions of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The cancelled loan amount is the amount that is no longer available.

If an applicant cancels all or a portion of an SBA loan related to the repair of the dwelling, only the accepted loan amount will be considered a duplication of benefits. The undisbursed loan amount will not be considered a DOB. Applicants may not request subsequent draws from the undisbursed portion of the loan. The RLHP will recalculate awards for all pre-closing applicants that declined the loan or cancelled all or a portion of the loan. Post-Closing applicants that declined the loan or cancelled all or a portion of the loan will be credited in the amount of the undisbursed portion of the SBA loan that was calculated in the grant award as a DOB. All RLHP terms and conditions must be met prior to issuance of a reimbursement for the undisbursed portion of the loan. For instance, Solution 2 applicants must demonstrate that they have met their homeowner's responsibility in full prior to receiving reimbursement funds for SBA DOB. Additionally, evidence of sufficient flood insurance must be provided to the Program per RLHP guidelines.

HUD guidelines require an Action Plan Amendment (APA) to address reimbursement of any disbursed SBA amounts and to also allow for a hardship procedure for anyone over 120% AMI. Rules pertaining to those populations are pending the APA and will be defined in a future publication.

**Verification:** RLHP will collect SBA information provided by the applicant through the application process. In addition, the RLHP will obtain a data feed provided by SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different categories of assistance (e.g. real property, personal property, vehicles, etc.). Any disbursed amount for real estate repair from SBA is considered a duplication of benefits and factored into the award calculation. {Pending future revisions to this policy as referenced above in this section}

### 3. Private insurance

**Definition:** All property or casualty insurance, including flood, settlement amounts for loss to dwellings are deducted from the applicant's funding assistance award. Private insurance payments for contents or other expenses are not deducted from the applicant's funding assistance award.

**Verification:** Insurance proceeds are initially determined by RLHP through applicant provided information. Program applicants will authorize the Program to contact third-party private insurance providers to verify information provided by the applicants within their applications. Third party re-verification will only occur if the applicant self-attests a claim has been filed and

the applicant is unable to provide a claim summary.

**Exception:** Insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits as long as the applicant provides adequate documentation. The applicant will need to provide supporting documentation demonstrating the mortgage payment was involuntary and the RLHP will attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is a duplication of benefits that will be counted in an applicant's award calculation.

#### 4. Other Funding

Funding received for the same purpose of a RLHP grant such as funding provided by a non-profit entity to assist applicants with rebuilding their home must be reported by applicants through the application process and must be accounted for and verified by the Program. In addition, the support documentation related to other duplicative funding sources will be provided by the applicant and verified and applied as a duplication of benefits by the Program.

#### 5. Award Calculation

**Applicants Impacted by One Flood Event (Either March 2016 or August 2016).** The formula below is how the Program will calculate an applicant's award if the applicant was affected by either the March or August 2016 flooding events.

- 1) Identify Eligible Scope of Completed Construction Work
- 2) Identify all Potentially Duplicative Assistance to be Deducted out of Completed Work
- 3) Deduct Assistance Determined to be Duplicative
- 4) Determine Maximum Allowable Reimbursement CDBG-DR Award
- 5) Identify Eligible Repair Costs/Need for Prospective Work
- 6) Identify all Potentially Duplicative Assistance remaining
- 7) Deduct Assistance Determined to be Duplicative
- 8) Determine Maximum Allowable CDBG-DR Award

#### **Eligible Repair Costs/Need:**

The Program will determine an eligible repair estimate using information from the inspection. The repair estimate will be valued based on economy/standard grade materials and industry-standard labor costs. If the homebuilding contract between the applicant and homebuilding contractor is based on higher standards than those assessed by the state, the state will use the value of the Program's assessment as the basis for the eligible repair estimate.

#### **Calculating Potential Duplication of Benefits:**

If an applicant is requesting reimbursement from the Program, all duplication of benefits expended prior to reimbursement will be calculated and deducted from the reimbursement award.

If an applicant is requesting reimbursement and rehabilitation, all duplication of benefits expended will be deducted from the reimbursement award. If duplication of benefits expended is greater than the reimbursement award, then the remainder of the duplication of benefits will be deducted from the rehabilitation award.

If an applicant is only applying for rehabilitation award, then the full duplication of benefits will be accounted for at the time of the rehabilitation award calculation. The duplication of benefits check will be completed prior to the execution of the grant agreement and again prior to the processing of the final draw of funds.

All duplication of benefits funding must be accounted for prior to the applicant receiving an RLHP award. Applicants participating in Solution 1, must place all duplication of benefits funding in the Program's escrow account. Further guidance on escrow accounts will be provided by the Program.

**Applicant Impacted by Both Flood Events (March 2016 and August 2016).** Applicants who were impacted by both the March and August 2016 flood events must make a claim to RLHP for the March flood. Applicants in this situation will have two award calculations in their RLHP file backup documentation, one for the March flood and one for the August flood. However, only one award will be issued based on the total of both storms.

The applicant will need to provide proof of loss related to the March 2016 flood via receipts for building materials or repairs, cancelled checks to contractors, and/or paid invoices to establish the value of the repairs completed that were lost in the second flood in August 2016. RLHP will use FEMA data to verify the damage level. If the flood height from either storm is equal to or greater than 12 inches, *or if the cumulative FEMA verified loss of both storms is equal to or greater than \$8,000.00*, then the damage will be considered major/severe.

Additionally, applicants who received federal assistance from the March 2016 flood and who did not obtain flood insurance prior to the August 2016 flood, may be deemed NFIP non-compliant by FEMA. NFIP non-compliance means that an applicant is ineligible to receive any future federal disaster relief funding. Recognizing the unique situation posed by two flood events occurring within a few months of each other, RLHP believes that some applicants in the NFIP non-compliance status would not have had an opportunity to fully restore their damaged homes and obtain insurance within this timeframe. Applicants who had not completed construction and could not obtain flood insurance due to the disrepair of their home, at the time of the August flood event must provide proof that the damaged home was uninsurable as of the date of the August flooding event.

#### 6. Repayment of Duplicative Assistance (Subrogation)

All duplicative funding received must be remitted to or accounted for, regardless of when it is received by the applicant. If applicants receive additional funding for the same purpose as the RLHP award (permanent repair to storm damaged home) even after and RLHP award is executed, the applicant is required to report the additional funding to the Program. By accepting the award, applicants agree that they will report any duplicative funds to the Program whenever received. Upon receipt of a report that benefits have been received that were not reported in the grant calculation, the Program will recalculate the applicant's award and provide instructions as to whether such funds must be used in construction prior to additional funding by the Program (Solutions 1 and 2), whether the applicant's award will be reduced by such amount (Solution 3), or whether the applicant must remit such amounts to the Program. A copy of the Program's subrogation agreement can be found in **Appendix C**.

## j. Duplication of Benefits Calculation

The following are sources of funding assistance provided for structural damage and loss that are considered a duplication of benefits and under federal law must be deducted from the grant assistance amount:

### 1. FEMA

#### a. FEMA Individual Assistance (FEMA IA)

**Definition:** FEMA IA assistance may be provided for home repairs. In the cases where applicants have received assistance for home repairs, that amount will be considered a duplication of benefits by the Program.

**Verification:** FEMA IA will be determined and verified by RLHP through the FEMA NEMIS database. If RLHP is unable to verify the FEMA IA amount through the FEMA NEMIS database, RLHP will use the payment amount provided by the applicant at the time of application. If an applicant can provide documentation demonstrating that the FEMA IA amount provided by the FEMA NEMIS database includes amounts not paid to cover structural loss, RLHP will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

#### b. FEMA National Flood Insurance Program (NFIP) Insurance

**Definition:** Payments for loss to dwellings under NFIP insurance policies are deducted from the grant the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's funding assistance award.

**Verification:** The Program will collect flood insurance payment information from the applicant through the application process. In addition, the Program will work directly with NFIP to verify the information provided by the applicant.

**Exception:** Insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits as long as documentation from the mortgage company evidences the payoff was involuntary. The applicant will need to provide a letter from the lender on company letterhead stating that the mortgage payment was force paid or involuntarily paid directly from the insurance company to the lender.

### 2. SBA

On June 14, 2019, HUD issued updated guidance regarding Small Business Administration (SBA) loans as a duplication of benefits. SBA duplication of benefits is defined below according to FR-6169-N-01. If you are interested in viewing the original definition of SBA duplication of benefits,

\*Through letter dated 10/10/19, HUD Partially approved APA 12. HUD found the provision of APA 12 that would allow for the reimbursement of SBA loan costs to homeowners with incomes of greater than 120% of AMI to be substantially incomplete and not consistent with the requirements of the Federal Registrar Notice. The State will post full approval when the criteria is met for the hardship requirements of the Notice.

please see previous versions of published RLHP guidelines.

**Definition:** Federal law require that SBA loans for repair of the damaged dwelling to be counted as a duplication of benefits only in limited circumstances. The SBA-approved loan for repair of the damaged dwelling will be counted as a duplication of benefits, except in the following circumstances:

- **Declined SBA Loans.** Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. If an applicant was approved for a loan but did not execute a loan agreement, the offered loan amount will not be considered a duplication of benefits.
- **Cancelled SBA Loans.** Cancelled loans are loans (or portions of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The cancelled loan amount is the amount that is no longer available. Restore has a regular reporting process with SBA providing information on the recalculation of SBA DOB to insure that both agencies have up to date information on which loans are considered cancelled. Updated data feeds from SBA are also obtained and reviewed by Restore to insure that no new loan funds are drawn without the program's awareness. If loan amounts are drawn by an applicant who has had a cancelled amount removed from their DOB calculation, the program's subrogation policy will then be implemented.

If an applicant cancels all or a portion of an SBA loan related to the repair of the dwelling, only the accepted loan amount will be considered a duplication of benefits. The undisbursed loan amount will not be considered a DOB. Applicants may not request subsequent draws from the undisbursed portion of the loan. The RLHP will recalculate awards for all pre-closing applicants that declined the loan or cancelled all or a portion of the loan. Post-Closing applicants that declined the loan or cancelled all or a portion of the loan will be credited in the amount of the undisbursed portion of the SBA loan that was calculated in the grant award as a DOB. All RLHP terms and conditions must be met prior to issuance of a reimbursement for the undisbursed portion of the loan. For instance, Solution 2 applicants must demonstrate that they have met their homeowner's responsibility in full prior to receiving reimbursement funds for SBA DOB. Additionally, evidence of sufficient flood insurance must be provided to the Program per RLHP guidelines.

HUD guidelines require an Action Plan Amendment (APA) to address reimbursement of any disbursed SBA amounts and to also allow for a hardship procedure for anyone over 120% AMI. Rules pertaining to those populations are pending the APA and will be defined in a future publication.

**Verification:** RLHP will collect SBA information provided by the applicant through the application process. In addition, the RLHP will obtain a data feed provided by SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different categories of assistance (e.g. real property, personal property, vehicles, etc.). Any disbursed amount for real estate repair from SBA is considered a duplication of benefits and factored into the award calculation.

### Disbursed SBA Loan Adjustments

Subsequent award adjustments will be made for homeowners who received funds from SBA (disbursed) which are currently recorded within Restore’s grant management system as a DOB. DRRRA guidance allows the Program to remove as DOB funds disbursed through SBA Disaster Loans for all homeowner populations with incomes less than or equal to 120% AMI. The Program will prioritize LMI homeowner populations for award adjustments. In cases where inspections have been completed through the Restore program confirming work completed and attributable to SBA disbursements, two-party checks will be issued and payable to both the homeowner and SBA. No disbursements will be made until inspections verifying the work completed and attributable to SBA funds have been completed.

Following adjustments to LMI populations, the Program will begin recalculation and award adjustments for homeowner populations with incomes between 80% and 120% AMI. Akin to the methodology described above and applicable to LMI populations, in cases where inspections have been performed through the Restore program confirming work completed and attributable to SBA disbursements, two-party checks will be issued and payable to both the homeowner and SBA.

Finally, after award adjustments have been calculated and funds have been disbursed to eligible Restore program participants within LMI and 80%-120% AMI population groupings, the Program will follow the same steps outlined above for populations with household incomes in excess of 120% AMI. Additionally, per DRRRA guidance, these populations will be subject to proposed hardship criteria, as outlined below. The RLHP will recalculate awards for all pre-closing applicants that declined the loan or cancelled all or a portion of the loan. Post-Closing applicants that declined the loan or cancelled all or a portion of the loan will be credited in the amount of the undisbursed portion of the SBA loan that was calculated in the grant award as a DOB.

All RLHP terms and conditions must be met prior to issuance of a reimbursement for the undisbursed portion of the loan. For instance, Solution 2 applicants must demonstrate that they have met their homeowner’s responsibility in full prior to receiving reimbursement funds for SBA DOB. Additionally, evidence of sufficient flood insurance must be provided to the Program per RLHP guidelines.

**Verification:** RLHP will collect SBA information provided by the applicant through the application process. In addition, the RLHP will obtain a data feed provided by SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different categories of assistance (e.g. real property, personal property, vehicles, etc.). Any disbursed amount for real estate repair from SBA is considered a duplication of benefits and factored into the award calculation.

#### c. Hardship Criteria for Homeowner Populations with Incomes Exceeding 120% AMI

The below hardship criteria represents situations in which it may be both necessary and reasonable to provide CDBG-DR assistance households with incomes exceeding 120% AMI who drew SBA funds:

- **Hardship due to housing cost burden.** Individuals who spend more than 30% of their monthly gross income on housing costs are expected to experience hardship in recovery due to having limited financial resources;
- **Hardship due to SBA loan repayment.** Individuals who spend more than 15% of their monthly discretionary income on SBA loan repayment are expected to experience

- hardship in recovery due to having limited financial resources;
- **Hardship due to advanced age.** Individuals who are of an advanced age and are retired or for whom retirement is expected during the repayment period of the SBA loan. The reduced income or anticipated reduction of income that comes with retirement is likely to cause a hardship during the loan repayment period;
  - **Hardship due to cost of caring for dependents.** Homeowners responsible for providing care to parents, children, grandchildren, and other dependents have long-term financial commitments to consider when contemplating incurring additional debt. Additional debt would be a burden and limit available resources needed to provide for dependents;
  - **Hardship due to major illness and/or death of wage earner.** Households that have experienced a major illness or death of a household wage earner are anticipated to experience hardship in repaying SBA loans and completing recovery;
  - **Hardship due to costs associated with higher education for self or dependents.** Tuition and living expenses for dependents in higher education present significant financial needs to homeowners. Household resources are strained to accommodate education-related expenses and homeowners may not have adequate monthly cash flow to support an additional note;
  - **Hardship due to loss of employment or reduction in income.** A loss of income or job following the qualifying disaster event can impact the ability to repay a loan;
  - **Hardship due to costs associated with disability and/or special needs.** Additional costs related to evacuation, relocation, and rebuilding for a disabled/special needs household puts an increased burden on financial resources that might otherwise be contributed to recovery;
  - **Hardship due to depletion of retirement account.** Households who withdraw funds from their retirement account(s) after the qualifying disaster are anticipated to experience hardship during the repayment period of their SBA loan due to the loss of future retirement income.

### Thresholds for Qualification

If a homeowner indicates they fall into one or more of the hardship categories listed above, the Program will analyze documentation provided by the applicant to ensure additional disbursements are both necessary and reasonable. The Program will utilize the following thresholds for each qualifier:

Qualifier	Threshold and Method of Determination
Housing Cost Burdened	<p><u>Threshold:</u> Applicants or co-applicants spend more than 30% of gross household income on housing expenses.</p> <p><u>Method of Determination:</u> Completion of household budget worksheet with documentation of housing payment(s).</p>
SBA Loan Repayment Burden	<p><u>Threshold:</u> Applicants or co-applicants spend more than 15% of discretionary income (as defined by the US Department of Education) on SBA loan repayment.</p> <p><u>Method of Determination:</u></p>

	Completion of household budget worksheet with documentation of housing expenses.
Age of applicant or co-applicant	<p><u>Threshold:</u> Applicants or co-applicants were 50 years or older at the time of the flood.</p> <p><u>Method of Determination:</u> Government ID of the applicant and/or co-applicant as collected during application.</p>
Dependents in the home	<p><u>Threshold:</u> Applicants or co-applicants must have dependents (minors or adults) in their household.</p> <p><u>Method of Determination:</u> Review of dependents listed on applicant/co-applicant tax returns.</p>
Major Illness and/or Death of Wage Earner	<p><u>Threshold:</u> Wage-earner in applicant household suffered from a serious illness or died following the flood event.</p> <p><u>Method of Determination:</u> Medical records and/or death certificate.</p>
Dependents in higher education	<p><u>Threshold:</u> Applicants or co-applicants must have dependents (minors or adults) in their household who are pursuing higher education.</p> <p><u>Method of Determination:</u> Tuition record and tax returns reflecting dependents.</p>
Loss of job or reduction of income following the flood event	<p><u>Threshold:</u> Applicants or co-applicants must have lost their job or experienced a reduction in wages following the flood.</p> <p><u>Method of Determination:</u> Notice of termination, separation, pay stubs or job history.</p>
Disabled/special needs household member	<p><u>Threshold:</u> Applicants or co-applicants must have a household member who has a disability.</p> <p><u>Method of Determination:</u> Verification of disabled household member will be conducted as part of the eligibility screening for the program.</p>

Depletion of Retirement Savings	<p><u>Threshold:</u> Applicants or co-applicants must have withdrawn funds as an early distribution from a retirement account (IRA, 401k, 403b, etc.) following the applicable flood event.</p> <p><u>Method of Determination:</u> Statements from retirement account showing early distribution of funds.</p>
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Per 84 FR 28836, the State is required to meet their overall grant benefit projections to ensure at least 55% of CDBG resources will benefit LMI populations accounting for adjusted DOB calculations allowed by the DRRRA. To remain compliant with this requirement, the State of Louisiana will disburse funds to populations with incomes in excess of 120% AMI using a multiplier of 0.50.

**Verification:** RLHP will collect hardship justification for review upon determination by the program that the applicable hardship threshold has been met, the program will forward the approved hardship request to HUD for its confirmation. No reimbursements will be processed by the Program until such time as approval for each request has been received from HUD.

### 3. Private insurance

**Definition:** All property or casualty insurance, including flood, settlement amounts for loss to dwellings are deducted from the applicant’s funding assistance award. Private insurance payments for contents or other expenses are not deducted from the applicant’s funding assistance award.

**Verification:** Insurance proceeds are initially determined by RLHP through applicant provided information. Program applicants will authorize the Program to contact third-party private insurance providers to verify information provided by the applicants within their applications. Third party re-verification will only occur if the applicant self-attests a claim has been filed and the applicant is unable to provide a claim summary.

**Exception:** Insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits as long as the applicant provides adequate documentation. The applicant will need to provide supporting documentation demonstrating the mortgage payment was involuntary and the RLHP will attempt to verify this information with the applicant’s mortgage company. Voluntary mortgage payoff using insurance proceeds is a duplication of benefits that will be counted in an applicant’s award calculation.

### 4. Other Funding

Funding received for the same purpose of a RLHP grant such as funding provided by a non-profit entity to assist applicants with rebuilding their home must be reported by applicants through the application process and must be accounted for and verified by the Program. In addition, the support documentation related to other duplicative funding sources will be provided by the applicant and verified and applied as a duplication of benefits by the Program.

## 5. Award Calculation

**Applicants Impacted by One Flood Event (Either March 2016 or August 2016).** The formula below is how the Program will calculate an applicant’s award if the applicant was affected by either the March or August 2016 flooding events.

- 9) Identify Eligible Scope of Completed Construction Work
- 10) Identify all Potentially Duplicative Assistance to be Deducted out of Completed Work
- 11) Deduct Assistance Determined to be Duplicative
- 12) Determine Maximum Allowable Reimbursement CDBG-DR Award
- 13) Identify Eligible Repair Costs/Need for Prospective Work
- 14) Identify all Potentially Duplicative Assistance remaining
- 15) Deduct Assistance Determined to be Duplicative
- 16) Determine Maximum Allowable CDBG-DR Award

### **Eligible Repair Costs/Need:**

The Program will determine an eligible repair estimate using information from the inspection. The repair estimate will be valued based on economy/standard grade materials and industry-standard labor costs. If the homebuilding contract between the applicant and homebuilding contractor is based on higher standards than those assessed by the state, the state will use the value of the Program’s assessment as the basis for the eligible repair estimate.

### **Calculating Potential Duplication of Benefits:**

If an applicant is requesting reimbursement from the Program, all duplication of benefits expended prior to reimbursement will be calculated and deducted from the reimbursement award.

If an applicant is requesting reimbursement and rehabilitation, all duplication of benefits expended will be deducted from the reimbursement award. If duplication of benefits expended is greater than the reimbursement award, then the remainder of the duplication of benefits will be deducted from the rehabilitation award.

If an applicant is only applying for rehabilitation award, then the full duplication of benefits will be accounted for at the time of the rehabilitation award calculation. The duplication of benefits check will be completed prior to the execution of the grant agreement and again prior to the processing of the final draw of funds.

All duplication of benefits funding must be accounted for prior to the applicant receiving an RLHP award. Applicants participating in Solution 1, must place all duplication of benefits funding in the Program’s escrow account. Further guidance on escrow accounts will be provided by the Program.

## **Office of Community Development-Disaster Recovery Unit**

### **Duplication of Benefit Policy**

The Robert T. Stafford Disaster Relief and Emergency assistance Act (Stafford Act) requires that recipients of federal disaster recovery funding make certain that no “person, business concern or other entity” will receive duplicative assistance<sup>2</sup>. Because disaster assistance to each person/entity varies widely based on their insurance coverage and eligibility for federal funding, grantees cannot comply with the Stafford Act without first completing a duplication of benefits (DOB) analysis specific to each applicant.

A DOB occurs when:

- A beneficiary receives assistance, and
- The assistance is from multiple sources, and
- The assistance amount exceeds the need for a particular recovery purpose.

In response to multiple natural disasters over a number of years, the State of Louisiana received supplemental disaster recovery assistance through HUD’s Community Development Block Grant (CDBG) Program. This assistance is intended to supplement, not replace, other public, private and nonprofit sector resources that have already been provided for the same need or loss and are legally required to constitute a duplicative source of financial assistance. For example, if a family’s damaged home costs \$100,000 to repair and the homeowner received insurance proceeds in that amount, the homeowner could not also receive federal disaster recovery funds to repair the home. Grantees should assure that each program provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met by funds that have already been, or will be paid, from another source.

The purpose of this document is to outline how the State of Louisiana Office of Community Development Disaster Recovery Unit (OCD-DRU) assures that all applications for assistance from the programs funded by OCD-DRU (both housing and non-housing), as well as all projects implemented by OCD-DRU grantees, contractors and subrecipients, will be reviewed for possible duplication of benefits. The procedures described below are also applicable to all OCD-DRU grantees and subrecipients and must be incorporated in the design and administration of programs/projects undertaken by them. This document details OCD-DRU’s general Duplication of Benefits policy. Individual programs may be subject to program specific policies implementing additional Duplication of Benefits requirements or processes, subject to this overarching policy.

The OCD-DRU Program Manager is responsible to ensure the following steps are performed using the best reasonably available data from Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), the National Flood Insurance Program, insurers and other sources of assistance to verify all reasonably identifiable sources of recovery assistance received by or available to the applicant prior to any award.

The first step of the DOB determination (calculation) is to determine the amount of assistance needed and the amount of funds previously received or to be received for a disaster recovery activity. This is accomplished by first determining the applicant’s post-storm disaster need prior to the receipt of potential receipt of other funds. Next, all other sources of recovery assistance received, or available to be received, must be disclosed during the application process and must be verified where reasonably

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<sup>2</sup> Stafford Act, Title III, Sec. 312, (a)

possible. Other sources of funds can include, but are not limited to: private insurance, the Federal Emergency Management Agency, the Small Business Administration (SBA), the National Flood Insurance Program, local and state funds, other federal programs, and private and nonprofit organizations. Whether the assistance constitutes a duplicative source can be effected by the use for which it was provided and specific exemptions that may be provided by law, regulation, or waiver, such as provided in the Disaster Recovery Reform Act, Public Law 115-254, which impacts SBA loans for certain presidentially declared disasters.

The next step is to identify assistance that is not available for the activity. This consists of: funds received that are not for the same purpose as the CDBG activity(s); funds not available to the applicant, eg. forced mortgage payoff, contractor fraud, etc.; funds from unsubsidized private loans (forgivable loans are duplicative); and any other asset or line of credit available to the applicant, such checking and savings accounts, stocks, etc. These funds are not considered to be duplicative and may be excluded and not deducted as a duplication of benefit. Finally, after subtracting from the proposed activity cost the duplicate funds received, or available to be received, calculate the maximum CDBG award.

Once the maximum CDBG award has been determined, applicants will be required to sign an agreement either contained in a grant/subrecipient agreement or a separate subrogation instrument, requiring them to return to OCD-DRU<sup>3</sup> any assistance received for the same purpose as the CDBG disaster recovery funds. This agreement is to be monitored by OCD-DRU program staff, grantees and subrecipients according to the specific Programs guidelines. Unless an additional need is established, disaster recovery funds should be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

**The following is an example of the above described process steps for DOB determination:**

1. Identify the Applicant’s Total Need Prior to Any Assistance.....	\$100,000
2. Identify All Potential Duplicative Assistance.....	\$35,000
3. Deduct Assistance Determined to be Duplicative.....	\$30,000
4. Maximum Eligible Award (Item 1 less Item 3).....	\$70,000
5. Program Cap (if applicable).....	\$50,000
6. Final Award (lesser of Items 4 and 5).....	\$50,000

**Unmet Needs**

Disaster recovery assistance needs are calculated at one point in time. As a result, subsequent circumstances may occur that affect the need. If, after the assistance has been calculated and/or a CDBG award has been made, an applicant can demonstrate a change in circumstances the award calculation may be subsequently reevaluated to take the increased need into consideration. Such changes in circumstance include: vandalism, contractor fraud, an increase in the cost of materials and/labor, a change in local zoning law or building codes, or subsequent damage to a home or business that was partially repaired. However, the reevaluation must be done before the initial need for which assistance was granted has been fully met (e.g., before a damaged house is fully repaired).

The federal regulation pertaining to this OCD-DRU policy and procedure for identifying Duplication of Benefits is found in 76FR 71060, November 16, 2011, as modified by 4 84 FR 28836 and 28848 June 20, 2019, which should be reviewed as part of determining Duplication of Benefits. Caution should be utilized

<sup>3</sup> Subrogation agreements in programs run by subrecipients would require repayment to the subrecipient.

in determining the applicability of these federal notices with respect to an appropriation's funding of a specific program because these notices contain time restrictions.

**Monitoring for DOB**

The process for identifying and then monitoring for DOB begins with the review of each grant application, whether it is for a specific project or an individual beneficiary of disaster recovery CDBG funds. An applicant must provide detailed information about other sources of funds that were received or that may be received related to the activity for which CDBG funds are being requested. OCD-DRU or contracted program management staff review and verify the other funds to determine if they are for the same activity and exceed the need for recovery assistance. Once CDBG funds are awarded, minus any determined to be a DOB, applicants are required to notify OCD-DRU of the receipt of any additional funds received for the same activity. Program staff review individual pay requests and project amendments to determine if other funds have been received that represent a DOB. In the event that additional funds are determined to be a DOB, funds will be withheld from future pay requests, and the approved project budget will be amended. In the event that all funds have been expended and a DOB is identified, the applicant will be required to repay the funds to OCD-DRU for return to the U.S. Treasury.

Monitoring for duplication of benefits will also be incorporated into OCD-DRU monitoring policies and procedures.

**APA 12 PUBLIC COMMENTS:  
BY CATEGORY**

**APA 11**

**PUBLIC COMMENT** Concern 1 Action Plan Amendment (APA) 12 appears to start by justifying APA 11 by claiming APA 11 was based off of budgets and makes no impact on the APA 12. I totally disagree with how the state is attempting to justify spending \$173 million on any program prior to addressing all SBA DOB issues as Governor Edwards stated in his prepared opening announcement at the Task Force meeting July 13, 2018 regarding APA 9. I want to direct the attention of HUD and our state and federal representatives in this matter. Governor Edwards made a promise to the people of Louisiana. He promised on July 13, 2018 that his budget changes to allow Reimbursement (Solution 3) to go 50% to 100% would not and I'll quote his words; "And I want to stress to everyone here today, and those watching online, again, the expansion of reimbursement funds will not jeopardize any potential grant funds available in the future to homeowners affected by Small Business Administration loan duplication of benefits. Should HUD tell us that the program no longer needs to consider declined SBA loans as a duplication of benefits, either because their interpretation of federal law changes, or because the law itself changes." Governor Edwards team / staff reported to the director of OCD-DRU Patrick Forbes on July 12, 2018 the day before his announcement of the expansion for reimbursements. "We are projecting 10,230 will receive an additional grant through this program change, which will result in around \$110 million in additional awards." The day before the increase the Governors office made everyone responsible for a balanced budget aware of the \$110 million. It was also discussed in that same day about the governors office giving to much money to homeowners by a task force member. "What encouraged the Governor's team to put the \$110 million into additional awards for homeowners as opposed to infrastructure or economic development?" During the meeting on July 13, 2018 Director Patrick Forbes address the Louisiana task force about having \$682 million available to assist all those with SBA DOB issues. He added that he would place a hold on this money until HUD provided guidance on how to address the SBA DOB issues we all faced. Here is a copy of what was entered into APA 9 and stated by the OCD-DRU director Patrick Forbes. "By increasing the reimbursement percentage from 50% to 100% for households eligible under Phases III - VI, the state anticipates spending \$649 million on the Homeowner Program, leaving an estimated \$682 million. In the context of the different pieces of legislation going through Congress related to how to account for SBA loans as a duplication of benefit, the state may hold the balance until Congress and HUD issue updated and definitive guidance on how to treat SBA loans when calculating eligible award amounts to serve that potential unmet need." The above was submitted to HUD in Action Plan Amendment 9 via email addressed as follows:

From: Lori Dupont

Sent: Wednesday, July 18, 2018 9:01 AM

To: 'DisasterRecovery@hud.gov'

Cc: Pat Forbes Stacy Bonnaffons 'Flanery, Ryan D'

'Parker, Tennille S' 'Erinn.M.Martin@hud.gov'

'Adriane.T.Burgess@hud.gov' 'sonya.m.brister@hud.gov'

Two days later a revised action plan was submitted to HUD removing the promise made by Governor Edwards and Director Patrick Forbes to wait for HUD Guidance before allocating part of the remaining \$682 million that the program claimed to have budgeted.

The edited Action Plan Amendment 9;

"By increasing the reimbursement percentage from 50% to 100% for households eligible under Phases III - VI, the state anticipates spending \$649 million on the Homeowner Program, leaving an estimated \$682 million. The state is continuing to update its unmet needs assessment and will make a determination on

how to program available funding in future action plan amendments."

The updated APA 9 was sent by email with the following addresses;

From: Kim Jupiter

Sent: Friday, July 20, 2018 2:13 PM

To: Disaster\_Recovery

Cc: Pat Forbes Stacy Bonnaffons Flanery, Ryan D

Parker, Tennille S Martin, Erinn M

Burgess, Adriane T Brister, Sonya M

The state still claimed to have \$682 million available at that time even with the additional costs of \$110 million for the Reimbursement program that may or may not have contributed to the imbalance of funds to the low- to moderate-income community which was published to remain at 55% or greater. I do believe your semiannual audit and / or a HUD OIG audit reported the state was at 55.67% and it was worded as "dangerously" close to the required 55%. With the the issue of the SBA DOB as the main political battle ground for all of us in Louisiana and you all in NOLA and in Washington D.C. HUD we understand that numbers can get mixed up in the media and some that don't carry their tablets may not state the correct numbers. But what is clear to me is the state of Louisiana did not properly balanced the books as directed by the Governor of the state of Louisiana and from what the Office of Community Development Disaster Recovery Unit stated. Both departments which are of the executive branch of our state government used the same numbers as what they had remaining in the program and that was \$682 million. In Oct. 2018 the \$682 changed to \$245.5 million during a period of time the state Task Force did not have public meetings. Records show that on Dec. 3, 2018 Action Plan Amendment 10 was submitted to HUD for Interim Mortgage assistance. Then in February 2019 a task force meeting was called which produced APA 11 and funding for new programs and projects for a total of \$172 million. Citizens became concerned about what happened to APA 10. We requested a copy of APA 10 and were told APA 10 was renamed to APA 11. But later when WBRZ news requested the same information APA 10 surfaced as it was published in Dec. 2018 with a Feb. 2019 date. The point I am making is it's nearly impossible to believe that a federally funded program could have so many errors and omissions related to transparency to what the HUD CDBG-DR grant funds are being used for and following how the state is addressing the 55% low- to moderate-income community funding. If from July 2018 to Feb. 2019 we have moved hundreds of millions without public knowledge, we have seen cancelled and replaced action plans to remove wording that could have triggered an internal budgeting audit simply by promising to hold \$682 million and wait for HUD Guidance on SBA DOB. The state made the assumption that it needed \$682 million to specifically cover SBA DOB issues. When all the numbers are placed in a simple timeline it appears the state has bankrupted the program close to the amount of \$128 million. The state during a town hall meeting blamed HUD policy for addressing a fixed percentage point for those in low income to moderate income households. The state in APA 11 ignored the Governors promise to wait for HUD Guidance. in APA 11 only a fraction of the \$172 million was to serve the Low to Moderate income communities. It's clear the state is back peddling in APA 12 by attempting to justify the budgeting of APA 11. Simple by reading the state can only offer a multiplier of 0.50 to SBA victims with incomes greater than 120% AMI shows the state did not follow the original published allocations and waivers to budget 55% for the LMI community. If the Governor of Louisiana had kept his promise has published to HUD in the first official APA 9 and if the state would have held a public task force meeting before APA 10 drafted \$5 million from the homeowners program we may have spotted this discrepancy and would have had time to correct the issue so today all of those with SBA issues would be offered the equal opportunity and access to an equal share of our HUD CDBG-DR Grant program funds. As it stands now, the state has mismanaged the budget, lied to the people and is penalizing the households that earn more than 120% AMI. This is not equal housing, this is now how HUD approaches issues. We have to allow these homeowners in the >120% AMI community access to our funds. I request that HUD repeal APA 11 for the \$172 million and assist the state of Louisiana in budgeting for all

SBA DOB issues before funding any further programs.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** Please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating The OCD-DRU would wait for the HUD guidance to be published. At that time the State OCD-DRU indicated there was a total of \$ 683 million, which would cover the cost of EVERY SBA loan. Today, the State OCD-DRU has now said they do not have enough money to cover all SBA loans, as publicly stated in July and September 2018. I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Homeowners Assistance Program which would then be balanced to provide relief for all of those that have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed. Solution 3 100% Reimbursement program was closed Dec. 31, 2018 which means they wouldn't have known the full amounts of actual distributed money. Keeping the budgets talked about in the Management meeting Oct. 10, 2018 and closing the Governors Reimbursement programs there is a shortage of funds once promised in July 2018 in the amount of \$128 million. To reduce further issues the state now is blaming HUD's as it requires that 55% goes to LMI as the excuse the program is short by \$124 to \$128 million, according to the state's pipeline reports of 2019. The need for > 120% is \$129,074,719 The Budget for > 120% is now cut in half to fit at \$64,537,360. The numbers reference come from the \$309 million the Congressman asked for in July 2018. Taking the \$309 million and apply the \$5 million from APA 10 and the \$171 million from APA 11 there is roughly \$133 million which is close enough to say it's the \$129,074,719 that was budgeted. With basic data factored in, the state had budgeted for 100% of the SBA loans to be paid off, however they completely forgot that a balance between LMI and >120% was not factored into the budget the full year of 2018. That is the same year the State OCD-DRU began dropping LMI households for any possible reason but not with SBA interests in mind, no way, it was Comite, Watershed, Economic Development, and Infrastructure. It is documented that the Director of OCD, Patrick Forbes, in Dec. 2017 was asked if he felt the Stafford Act Amendment by Graves would have any help to SBA loans. His reply was "No", from that moment on every politician and task force member was looking for and using their words, "Creative ways" to use HUD CDBG-DR funds for other projects. The 18 months of researching and following this program proves that budget and management issues were not followed correctly. **APA 12 Page 2:** "This APA 12 is considered substantial per guidance issued in 84 FR 28836. However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments. This APA 12 does not propose additional applicants as a result of the DRRRA. Regarding the programs referenced expected to be impacted by the DRRRA, all intake periods have closed and will not be extended as a result of the DRRRA."

- "However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments."

Note: APA 12 in it's current form shows no program budget changes which is true, but, because it shows no program budget changes the current program is not funded enough to cover all the eligible applicants. This is evident in APA 12 on page 18 "LMI Phase II Adjustments (>120% LMI)"

"...APA 12 proposes disbursing funds to populations with incomes in excess of 120% AMI using a multiplier of 0.50"

The 50% reimbursement instead of 100% reimbursement appears to be related to an over spending in the Solution 3 Reimbursements program when it changed from 50% to 100% July 2018 under Governor Edwards request. The Task Force questioned the state about SBA DOB funding and the state assured the task force that all SBA DOB will be covered. The task force voted unanimously for the Solution 3 Reimbursements increase from 50% to 100%. The program was correct, it did have the budget balanced up and to APA 10 for \$5 million and APA 11 for \$171 million. Taking the figures provided by the states policy makers in APA 12, it is clear that the state of Louisiana required \$129,074,719 at a minimum to cover all income groups under the SBA DOB changes in both Public Law 115-123 and 115-254. To balance the budget, the state reduced SBA DOB offerings that impacted a single income group, the >120% AMI households which is shown in APA 12 on page 18. The state did not restrict Solution 3 Reimbursement homeowners to a multiplier of 0.50 as it is doing in APA 12. This type of housing discrimination has been addressed in other storms and other programs when one group or class of citizen is given a higher award amount based income or geographical location. In this case it appears the discriminating factor is those accepting a federal disaster loan from SBA compared to those that accepted traditional lenders and bank loans in Solution 3 Reimbursements program which closed Dec. 31, 2018. In APA 12 the state of Louisiana identifies a group of grant recipients that have not closed on their grant awards. The state made no public statement about the July 31, 2019 grant closing deadline that was clear and without doubt not related to hundreds of homeowners. Even on the states official [Restore.LA.Gov](http://Restore.LA.Gov) website the bottom line: "This deadline may not apply if you have SBA DOB. Please reach out to your assigned case manager for any questions." This was ambiguous to hundreds of homeowners that called and emailed case managers. Those that received the letter from June about the deadline of July 31, 2019 recieved information from case managers that they could not ask for additioanl time while others were simply told it doesn't apply. This type of communications has happened often in the program and without policy published in a scheduled and with advanced notice and given reasonable time for homeowners to comply with the new policy many simply feel the state has all the control over their grants awards and they can't say or do anything to secure their recovery The deadline for new applicants announced July 13, 2018 during the task force meeting was Dec. 31, 2018. I ask HUD to instruct the OCD-DRU to reinstate the households who had the July 31, 2019 deadline to close on their grants and give all the homeowners in this group 180 days to make financial arrangements or construction arrangements for them homes.

RESTORE LOUISIANA TASK FORCE

July 13, 2018

Louisiana State Capitol House Committee Room 5 900 North 3rd Street Baton Rouge, Louisiana 70802

MINUTES

GOVERNOR JOHN BEL EDWARDS ADDRESS:

"RESTORE is mandated to operate in accordance with the guidelines set forth by the US Department of Housing and Urban Development, which provides the federal funding to operate the program. And I want to stress to everyone here today, and those watching online, again, the expansion of reimbursement funds will not jeopardize any potential grant funds available in the future to homeowners affected by Small Business Administration loan duplication of benefits. Should HUD tell us that the program no longer needs to consider declined SBA loans as a duplication of benefits, either because their interpretation of federal law changes, or because the law itself changes."Dear HUD, Force the state of Louisiana and it's Governor to keep its promise we have waited years on and trusted our Governor to keep. Force the state to repeal the sections in APA 11 that transfer \$171 million out before

waiting on the guidance as promised by Governor Edwards July 13, 2019 during the public task force meeting at the state capital. Meeting Minutes.<http://d2se92fabdh4cm.cloudfront.net/wp-content/uploads/2019/02/19090907/Approved-7-13-18-Meeting-Minutes-20190215.pdf> Is it possible to end the programs for hurricanes Katrina, Rita, Gustav, Ike and Isaac officially and allocate the undistributed funds to the 2016 floods Homeowners Assistance program directly assisting homeowners financially? New programs approved by HUD such as the Cost Share payment program for homeowners elevating could be a great benefit to the Great Floods of 2016 programs. More funds to homeowners would allow more assistance and greater assistance. From cost share programs with FEMA HMGP and FMA to soft second mortgages for those in need of assistance managing their recapture payment. The hardest hit in any disaster recovery is those that have no means of financially surviving the disaster. Since the hurricanes I have listed no longer assist homeowners directly wouldn't it be logical to move the money assigned to those programs to the most active program and most current program to assist more homeowners? Having 25% of FEMA costs paid by HUD CDBG-DR grants would impact more homeowners after the 2016 floods waiting for elevation grants than any past storms.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** Implementing Interim Mortgage Assistance at such a late date in the program has jeopardized LMI homeowners who have already closed or are soon to close on a grant. LMI Homeowners with grants unable to meet escrow or Homeowners Contribution is running out of time as they were given 360 days at grant closing to complete a home without the 3 time HUD Approved Interim Mortgage assistance. Interim Mortgage Assistance was Approved in 3 previous Actions Plans: The Master Action Plan, Action Plan 10 and Action Plan 11 for LMI Homeowners. Interim Mortgage Assistance should have already been made part of the Restore Program at Grant Closing as HUD Approved in the 3 referenced Action Plans. Remedy: Interim Mortgage Assistance offers financial assistance to eligible applicants in the Restore Louisiana Homeowners Assistance Program who demonstrate financial difficulty in paying their mortgage due to additional housing expenses incurred as a result of their primary residence no longer being habitable. Interim mortgage assistance may be provided for past, current, and future debt obligations of the mortgage, capped at \$3,000 per month for a maximum of 20 months or \$60,000. The 360 day completion date should be re-started when the mortgage assistance becomes available to a LMI homeowner.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Interim Mortgage Assistance (IMA) was just approved for RLHP in APA 11. In this approval the IMA could only be applied from the approval of APA 11 going forward. The change requested in APA 12, if approved, will allow for IMA to be available for up to 20 months of assistance with a cap equal to the required Escrow/HOR retroactive to the date of the applicable 2016 flood event.**

**PUBLIC COMMENT** Dear HUD Please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating The OCD-DRU would wait for the HUD guidance to be published. At that time the State OCD-DRU indicated there was a total of \$683 million, which would cover the cost of EVERY SBA loan. I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Homeowner Assistance Program which would then be balanced to provide relief for all of those that have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed. Also, please reconsider the repayment of SBA loans in full for those above AMI 120%, as we are still being victimized. This flood was a hardship for everyone, and we shouldn't have to write letters pleading with the State of Louisiana and HUD to prove it (can you imagine the time this would take to assess all these requests?). No other AMI category has to prove financial hardship, and we are being unfairly targeted and discriminated against, first by paying a higher interest rate (3.25%) on the SBA loan, and now by the hardship requirement. We have not received any money from Restore, due to the DOB. We were told over and over again by FEMA that we should take the SBA loan in order to be eligible for state funds that were being allocated, but this was obviously untrue, as we were denied any assistance, based on taking the loan. At a public meeting last night 8/5/19, in Baton Rouge, LA, Mr Forbes, OCD, stated that "we have all the money we need to pay off all of the SBA loans." Please allow that to happen ASAP. Regarding the mortgage assistance program, I asked FEMA about mortgage assistance/deferral and was told that each homeowner must work with their bank (or mortgage holder) to negotiate any relief while displaced from the flooded home and paying rent elsewhere. The credit union that holds our mortgage said we could suspend the mortgage payment for up to 6 months, but at the end of that time, the total amount would be due. Who can possibly pay that lump sum while paying rent in another location? Please consider this financial burden for those of us displaced and received no Restore funds, and make mortgage assistance for those displaced retroactive.

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**PUBLIC COMMENT** Dear HUD, PLEASE force the state of Louisiana and it's governor to keep its promise. We have waited years on and trusted our governor to keep his word. He promised July 13, 2018 "and I want to stress to everyone here today, and those watching online, again, the expansion of reimbursement funds will NOT jeopardize any potential grant funds available in the future to homeowners affected by SBA loan DOB". Those were his words and we expect him to keep his promise. Please force the state to repeal APA 11 that transferred \$171 MILLION out before waiting on the guidance as promised by Governor Edwards on July 13, 2018 during the public task force meeting at the state capital. Thank you for your consideration.

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**PUBLIC COMMENT**

RESTORE LOUISIANA TASK FORCE

July 13, 2018

Louisiana State Capitol House Committee Room 5 900 North 3rd Street Baton Rouge, Louisiana 70802  
MINUTES

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"RESTORE is mandated to operate in accordance with the guidelines set forth by the US Department of Housing and Urban Development, which provides the federal funding to operate the program. And I want to stress to everyone here today, and those watching online, again, the expansion of reimbursement funds will not jeopardize any potential grant funds available in the future to homeowners affected by Small Business Administration loan duplication of benefits. Should HUD tell us that the program no longer needs to consider declined SBA loans as a duplication of benefits, either because their interpretation of federal law changes, or because the law itself changes."

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**PUBLIC COMMENT** Dear HUD Please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating “The OCD-DRU would wait for the HUD guidance to be published”. At that time the State OCD-DRU indicated there was a total of \$ 683 million, which would cover the cost of EVERY SBA loan. Today, the State OCD-DRU has now said they do not have enough money to cover all

SBA loans, as publicly stated in July and September 2018.

I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Homeowner's Assistance Program which would then be balanced to provide relief for all of those that have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed.

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**PUBLIC COMMENT** Hello. I am a Great Flood of LA 2016 survivor from Denham Springs. I have several concerns with the new action plan amendment 12. First of all, please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. To explain: It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating OCD-DRU would wait for the HUD guidance to be published. At that time the State OCD-DRU indicated there was a total of \$ 683 million, which would cover the cost of EVERY SBA loan. Today, the State OCD-DRU has now said they do not have enough money to cover all SBA loans, as publicly stated in July and September 2018. This is most upsetting! I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Restore Homeowner Assistance Program which would then be balanced to provide relief for all of us who have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed. As of today, I myself have not received any assistance from Restore nearly 3 years post flood. From the July 2018 budget of \$683 million to Oct 2018 budget of \$245.5 million. There was a decrease in funds, in Oct. 2018, to \$245.5 million. Where did this money go? Even after removing the funds for the Comite project, there is \$427 million left, however the Oct. 2018 budget shows there is \$128 million unaccounted for, according to the State of Louisiana public press releases. Will you please make Louisiana accountable for the missing dollars? Secondly, Solution 3 100% Reimbursement program was closed Dec. 31, 2018 which means they wouldn't have known the full amounts of actual distributed money. Keeping the budgets talked about in the Management meeting Oct. 10, 2018 and closing the Governors Reimbursement programs there is a shortage of funds once promised in July 2018 in the amount of \$128 million. To reduce further issues the state now is blaming HUD's 55% goes to LMI as the excuse the program is short by \$124 to \$128 million, according to the state pipeline reports of 2019. The need for > 120% is \$129,074,719 The Budget for > 120% is now cut in half to fit at \$64,537,360. The numbers reference come from the \$309 million the Congressman asked for in July 2018. Taking the \$309 million and apply the \$5 million from APA 10 and the \$171 million from APA 11 there is roughly \$133 million which is close enough to say it's the \$129,074,719 that was budgeted. With basic data factored in, the state had budgeted for 100% of the SBA loans to be paid off, however they 100% forgot that a balance between LMI and >120% was not factored into the budget the full year of 2018. That is the same year the State OCD-DRU began dropping LMI households for any possible reason but not with SBA interests in mind, no way, it was Comite, Watershed, Economic Development, and Infrastructure. It is documented that the Director of OCD, Patrick Forbes, in Dec. 2017 was asked if he felt the Stafford Act Amendment by Graves would have any help to SBA loans. His reply was "No", from that moment on every politician and task force member was looking for and using their words, "Creative ways" to use HUD CDBG-DR funds for other projects. The 18 months of researching and following this program proves that budget and management issues were not followed correctly. Many flood victims are now feeling short changed and discriminated against because of the way this has been handled. Lastly, our state did not notify flood victims (in any manner to my knowledge )of the mortgage assistance available to us as stated by Hud guidelines. I found out about it myself when researching Hud guidelines. The action plan amendment certainly does not follow HUD'S published guidelines for mortgage assistance for flood victims. Hud's guidance states "Interim Mortgage Assistance offers financial assistance to eligible applicants in the Restore Louisiana Homeowners Assistance Program who demonstrate financial difficulty in paying their mortgage due to additional housing expenses incurred as a result of their primary residence no longer being habitable. Interim mortgage assistance may be provided for past, current, and future debt obligations of the mortgage, capped at \$3,000 per month for a maximum of 20 months or \$60,000." FAQ No. 143 Date: 7-25-2019 Updated: 7-25-2019 Subject: Mortgage As someone who literally lived in a construction zone for months and months (did not receive a Fema trailer) with some family members

sleeping for weeks on cots in the driveway of my flooded home, struggling to pay a 1st and 2nd mortgage on a gutted home, this mortgage assistance would've and will still be most beneficial to me and my family to help us put our lives and homes back together. However, with the action plan amendment 12 not even a handful of flood victims will get this mortgage assistance as per pages 22-23 of the action plan amendment 12. It is as if the state of LA is skirting the rules HUD set, rather disregarding them in some opinions, and is now trying to hold on to money meant for the flood victims to try and make up for the shortage in grant funds as mentioned in my first and second paragraphs. After all I have been thru dealing with SBA and FEMA and Restore, I still want to have faith in our government and I hope the matters I have addressed in my comments will be investigated and better solutions can be reached with the LA flood victims' needs at the forefront. It has been a very long and arduous 3 years since the flood and I am still trying to repair my flooded home. Thank-you.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**Interim Mortgage Assistance (IMA) was just approved for RLHP in APA 11. In this approval the IMA could only be applied from the approval of APA 11 going forward. The change requested in APA 12, if approved, will allow for IMA to be available for up to 20 months of assistance with a cap equal to the required Escrow/HOR retroactive to the date of the applicable 2016 flood event.**

#### **PUBLIC COMMENT**

Dear HUD

Please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating The OCD-DRU would wait for the HUD guidance to be published. At that time the State OCD-DRU indicated there was a total of \$ 683 million, which would cover the cost of EVERY SBA loan. Today, the State OCD-DRU has now said they do not have enough money to cover all SBA loans, as publicly stated in July and September 2018. I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Homeowner's Assistance Program which would then be balanced to provide relief for all of those that have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner**

**program still has adequate funds allocated to cover all SBA loan amounts.**

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**PUBLIC COMMENT** If they are going to use the SBA DOB that we took away from us, it should only be the construction part of the loan. Loans were broken down into construction and personal property.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** After reading the APA 12 document I have a pretty big issue. Why are the award checks issued for disbursed loan amounts written to myself and the SBA? I thought that we were allowed to pay SBA loan off but not required? It seems as though we are required now. This is a problem as I have maxed out all of my credit cards on my recovery process and they have much higher interest rate than my SBA loan has. I would much rather keep paying on my SBA loan than keep this high interest debt that I never would have acquired had I not applied for this God forsaken SBA loan.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The requirement to issue a joint check is part of HUD's guidelines with respect to the recalculation of SBA duplication of benefits and reimbursement of SBA funds drawn once APA 12 is approved by HUD.

**PUBLIC COMMENT** I have a family member who took out an SBA loan as per FEMA recommendation. We went through pure hell during this period in dealing with FEMA. After doing what we were told was our best option by FEMA we were the very ones penalized by this action. Here it is three years later and we are still paying for something we had no control over, due to federal red tape. It is a sad day when the United States government cannot take care of its own people, yet funnel thousands of dollars to foreign governments, etc! Now again, we have to wait for guidelines to be set by yet another federal agency (HUD) to set more guidelines to disburse funds set up for this purpose. It is a SAD DAY in America when we have to wait on beaureacracies to make decisions, when they have no idea of what our American citizens have gone through and are still going through to get back to life as it used to be. They need to put the shoe on another foot and see how it fits!! Shame on our Government. We are suppose to be a land of opportunity, where is that opportunity when it lies in the hands of beaurocrats who have no idea of what they are doing.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT** Action Plan Amendment No. 12 clarifies the State of Louisiana's approach to duplication of bene fits (DOB) calculations pursuant to the Disaster Recovery Reform Act of 2018 and subsequent federal Register Notices 84 FR 28836 and 84 FR 28848 outlining guidance issued by the Department of Housing and Urban Development pertaining to the DRRRA. More specifically, this APA 12 describes revised housing and economic unmet needs, based on programs carried out by Restore Louisiana and the Small Business Loan Program. Since the State's APA No. 12 began at the August 2016 flood event, that is exactly where I wish to begin my public comments. I, Jacqueline Hawkins and family evacuated our home August 13, 2016, returned August 16 to a flood water and raw sewage destroyed home. There was NO public announcement of the health risks of gutting our home inundated with raw sewage. We, like others just began the nightmarish task of removing every item of our home below 4' and placing items on the curb. No flood insurance, home not in flood zone. Home owner insurance contacted but denied due to flood exemption. Applied for FEMA 08/15/2016, referred to the following sources for Disaster Aid, SBA Business Loan; Housing Assistance; SBA Home & Personal Property; Aging Services; American Red Cross Service Center; Crisis Counseling; Disaster Recovery Center; Emergency Assistance; Fraud Detection; Information and Referrals; Insurance Information; SBA Workshop; Small Business Administration; Social Security; Tax Assistance; Veterans Benefits; per DR# 4277. FEMA inspector scheduled an appointment to assess our damaged home. During inspection he stressed numerous times that I apply for a SBA loan. Stating that to qualify for future grant funds we had to apply for SBA loan. Not only did the FEMA inspector push the SBA Loan Application, so did every FEMA letter. Also, temporary SBA offices were throughout the Baton Rouge area, with public notices advertised for months after the flood event. SBA was the only funding recovery resource this State had until Restore began it's Survey Request in 2017. Here is where my DOB of troubles began, Restore program encouraged all flood victims to complete the Survey under false pretense. Stating that we would receive grant funds to recover fully plus be reimbursed for repairs paid for from our savings, retirement funds or other means. Senior citizen homeowners, who had already applied for SBA loans also applied for the HUD grant funds. We endured several intense inspections, signed waiver to stop all repair work, and endured 6 months of anguish waiting for approval; only to be denied grant funds at the end of the process due to DOB. I personally, sought legal advise due to the contradictory policy Restore provided me. Which states, "Federal regulations deem Small Business Administration (SBA) loans for repair to be a duplication of benefit for federally-funded repair programs. If an applicant has executed a loan from the SBA to cover the cost of repairs, the total amount of the approved loan is considered a duplication of benefits. The

approved executed loan amount counts as a duplication of benefits even if an applicant has not drawn down any funds from the approved loan." The "executed" loan amount was \$15,000.00 for "personal property". Restore counted \$54,300.00 approved loan "cost of repairs" as DOB. Therefore, reducing my award to ZERO. Recently, had meeting with case manager and her supervisor, attempted to convince them my case should be settled because none of the approved loan repairs cost had been drawn-down and shouldn't continue to be held against me. WHAT SAY YOU? As far as the AMI, goes...THE FLOOD WATER OR THE SEWAGE BACK-UPS DIDN'T DISCRIMINATE AGAINST THE 120+ AMI flood victims and neither should HUD. Restore granted recovery funds to flood victims above 120 AMI who didn't apply or were denied SBA loans. State of Louisiana must be fair and just, PUT THOSE DISASTER RECOVERY FUNDS BACK INTO THE PROGRAM TO HELP ALL FLOOD VICTIMS RECOVER FULLY! STATE OF LOUISIANA YOU HAVE THE POWER TO END THIS NIGHTMARE!

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts that were draw by Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** In July of 2018 the State told everyone they had \$683 million. In October of 2018 it was announced they only had \$245 million . APA 11 that was approved by HUD allowed the state to transfer \$171 million dollars away from us the homeowners . HUD we need to make the state return \$171 million to the homeowners. Now because of the shortfall of funds, the state is limiting funds to homeowners over a certain income to cover its poor management of funding . HUD did not tell the state to limit funding to those with higher incomes so, why is that the case ?? The state has also given a deadline of July 31 to LMI households to return any DOB amounts or their grants will be Rescinded . The state of Louisiana is balancing the budget by cutting grants to certain incomes . Why should we have to pay for their mismanagement of funds ?? HUD never told the state to limit funding . OCD DRU made that decision to cover the shortfall . Restore funds are discriminating against the higher income households & this is not legal . No other groups were held to that restriction of over 120% ami . The state of Louisiana overspent before getting guidance from HUD . This issue needs to be investigated so that all income brackets can get the funds we were promised . The state acted prematurely by funding other programs before all unmet needs were met .

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** The flood victims of Louisiana are still waiting for relief. In July 2018 our Governor and other leaders said the money was there to take care of all SBA loan and now it's all been changed. So what happened to the money. 128 million can't be accounted for and on top of that, money taken from flood disaster victims to put into a watershed program, because they thought they had all disaster victims covered. They are short now so many that had no flood insurance to cover anything are still waiting for help, they are in debt. 20 million taken and being used for a rent controlled apartments in Baton Rouge. We need all the funds that have been diverted to other projects, put back into the home recovery for disaster victims so everyone can be treated just as any other disaster victim. We need an investigation into why are flood victims still waiting. People are in the process of losing their homes due to not being able to pay a mortgage and an SBA loan, on top of household expenses and new automobile payments due to loss in the floods. I think HUD needs to step in and take over the recovery process.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Mortgage assistance should be back payed since day 1 of the disaster, to those that had no home to live in, just like renters had no place to stay. No flood zone, No flood Insurance, so all was lost, home, vehicles, and everything in the home, everything in the yard. Solution is reimbursement since the program rolled out. Denied because of SBA loan, well SBA is no longer considered a DOB and it should not be included as a DOB for no one. It is a loan not grant money. It has been 3 years since the flood and here we all are still waiting and drowning in debt. A solution to that would be FEMA first, then HUD then last step the SBA. Problem solved. How about the OCD take HUDs guidance and stop re-writing guidelines to stop the money from being given out to the flood victims. I do believe they are already short of funds, that they claimed to have had. There is money missing and money moved from one area to another, and money given to a water flow project etc.. Would love to see an investigation of the money and the flood victims that received the money to see if politicians immediate and extended family members received grant money before others. As a public servant, no one comes before anyone else regardless of relation. Many people are going to default on their mortgage loans and sba loans because the state will not move forward fast enough with the grant money. To say disaster victims are getting angry, would not be a lie. If you are going to use a LMI above 120% that rule should be with all who applied for a restore grant, not just the ones that took out an SBA loan. The money is not there and the only way to fix the problem is to re write guidelines so less people will meet the eligibility so less money is given out.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** The Interim Mortgage Assistance Program should be implemented as submitted by LA OCD Disaster Recovery Unit and HUD Approved in Action Plan 11. The request of LA OCD Disaster Recovery Unit to offer the lower value of the monthly Mortgage payment or the Fair Market Rental of the given area as proposed in Action Plan Amendment 12 should not be approved as it is contrary to historical Approved HUD Policy in other natural disasters. Case Reference Super Storm Sandy The Great Flood 2016 Master Plan submitted by LA OCD Disaster Recovery Unit and approved by HUD includes Interim Mortgage Assistance as an eligible activity. The State OCD has waited over 2.5 years to attempt to implement this Program for all LMI Homeowners. Action Plan Amendment 11 submitted by LA OCD Disaster Recovery and approved by HUD included the Interim Mortgage Assistance Program for up to 20 months, nearly 3 years after the Great Flood. Action Plan Amendment 12 submitted by LA OCD Disaster Recovery Unit states the intention of APA 12 is to clarify the method of distribution of Homeowners Interim Mortgage Assistance. In actuality, LA OCD is attempting to deviate from HUD Approved Policy in The Master Action Plan and Action Plan 11 by offering less than monthly mortgage payments. HUD's Community Block Development Grant Disaster Recovery Framework URL [https://www.hud.gov/sites/documents/CDBG\\_TRAINING\\_2\\_2\\_13.PDF](https://www.hud.gov/sites/documents/CDBG_TRAINING_2_2_13.PDF) This Interim Mortgage Assistance Policy Report does not include language to offer the lessor of Fair Market Rental or a Monthly Mortgage in this Program. The report is very specific with no ambiguity as to the purpose. The Interim Mortgage Assistance as approved in Action Plan 11 should have been the launch pad for myself and many LMI Homeowners in Solution 1 and 2. My home was destroyed in the Great Flood. My home and many other re-constructed homes would be close to completion had we had this assistance granted at our closing. Our only desire is to move forward. Remedy: Interim Mortgage Assistance offers financial assistance to eligible applicants in the Restore Louisiana Homeowners Assistance Program who demonstrate financial difficulty in paying their mortgage due to additional housing expenses incurred as a result of their primary residence no longer being habitable. Interim mortgage assistance may be provided for past, current, and future debt obligations of the mortgage, capped at \$3,000 per month for a maximum of 20 months or \$60,000.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Interim Mortgage Assistance (IMA) was just approved for RLHP in APA 11. In this approval the IMA could only be applied from the approval of APA 11 going forward. The change requested in APA 12, if approved, will allow for IMA to be available for up to 20 months of assistance with a cap equal to the required Escrow/HOR retroactive to the date of the applicable 2016 flood event.

**PUBLIC COMMENT** The Mortgage Interim Assistance Program should use the higher value of the monthly Mortgage payment or the Fair Market Rental. The FMR value would seem inaccurate after such a huge inventory of rental homes became unavailable after an unprecedented 1,000 year flood. The US Senate Appropriations Committee questioned the Fair Market Rental Rate System in 2018. Evidence to support a need for more housing and a low vacancy rate for LMI Renters in our area is supported by Action Plan Amendment 11 which devoted millions of dollars for new rental property to be built and maintained. The Senate Appropriations Committee Report #115-138 page 133/174 URL <https://www.congress.gov/115/crpt/srpt138/CRPT-115srpt138.pdf> accompanying the 2018 Appropriations Act expresses concerns about the accuracy of FMRs, particularly in areas where rents "have risen quickly." The report directs HUD to submit a report to the House and Senate Committees on Appropriations "describing proposals to update the FMR formula to more accurately reflect the current housing market." This report recounts the manner in which FMRs are calculated and discusses measures of the accuracy of FMRs. Within the report, HUD breaks the FMR calculation into 3 components and describes the potential sources of inaccuracy for each component along with possible remedies. The 3

components are the FMR trend factor, the inflation-based update factor, and the base rent data from the American Community Survey. US Senator **John Kennedy** is an Appropriations Committee Member. HUD responded to the Senate Committee with the following Report:

Proposals to Update the Fair Market Rent Formula

URL <https://www.huduser.gov/portal/sites/default/files/pdf/Proposals-To-Update-the-Fair-Market-Rent-Formula.pdf>

Prepared by

U.S. Department of Housing and Urban Development

Office of Economic Affairs

Office of Policy Development and Research

August, 2018

HUD Proposals to Update the Fair Market Formula Page 5/13

URL <https://www.huduser.gov/portal/sites/default/files/pdf/Proposals-To-Update-the-Fair-Market-Rent-Formula.pdf>

Accuracy of FMRs

In general, it is difficult to measure the accuracy of FMRs for the simple reason that no single, widely accepted measure of gross rents exists to use as a benchmark to compare with the FMRs.

HUD Proposals to Update the Fair Market Formula Page 13/13

URL <https://www.huduser.gov/portal/sites/default/files/pdf/Proposals-To-Update-the-Fair-Market-Rent-Formula.pdf>

Summary and Future Actions

This report focuses on the potential causes of inaccuracies in the three components of the FMR calculation—the trend factor, the inflation update, and the recent mover base rents. As the exhibits in the report show, contemporaneous measures of rents suggest that HUD’s FMRs do a good job of approximating 40th percentile gross rents paid in most markets; nevertheless, some areas exist where HUD could improve the FMR calculations. HUD intends to continue to study these areas, refine our strategies for improvement, and request public comments on proposed adjustments in a future FMR notice of proposed calculation method changes.

To improve the accuracy of FMRs, HUD will continue to —

Study data sources and methods for producing local rent forecasts to improve the trend component.

Study data sources and methods for improving the inflation factor component.

Address issues with ACS data that may affect the accuracy of base rents.

The Mortgage Assistance Program should not change as per the HUD Approved Master Plan and Action Plan Amendment 11. The Restore Program and HUD should take in account that LMI Households most likely are paying a higher interest rate on a mortgage, plus rent and the utilities on 2 dwellings which has caused many to delay home re-construction. The Interim Mortgage Assistance Program should be expedited as many LMI Families have signed their grant and are now on a deadline to completion. Remedy. Keep Interim Mortgage Assistance as just that, as it was approved by HUD in the Master Plan And Action Plan Amendment 11.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana’s Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Interim Mortgage Assistance (IMA) was just approved for RLHP in APA 11. In this approval the IMA could only be applied from the approval of APA 11 going forward. The change requested in APA 12, if approved, will allow for IMA to be available for up to 20 months of assistance with a cap equal to the required Escrow/HOR retroactive to the date of the applicable 2016 flood event. The State plans to request an expedited approval of the requested change to Interim Mortgage Assistance in APA 12.**

**PUBLIC COMMENT** Hello. I am a Great Flood of LA 2016 survivor. I have several concerns with the new action plan amendment 12. First of all, please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. To explain: It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating OCD-DRU would wait for the HUD guidance to be published. At that time the State OCD-DRU indicated there was a total of \$ 683 million, which would cover the cost of EVERY SBA loan. Today, the State OCD-DRU has now said they do not have enough money to cover all SBA loans, as publicly stated in July and September 2018. This is most upsetting! I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Restore Homeowner Assistance Program which would then be balanced to provide relief for all of us who have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed. As of today, I myself have not received any assistance from Restore nearly 3 years post flood. From the July 2018 budget of \$683 million to Oct 2018 budget of \$245.5 million. There was a decrease in funds, in Oct. 2018, to \$245.5 million. Where did this money go? Even after removing the funds for the Comite project, there is \$427 million left, however the Oct. 2018 budget shows there is \$128 million unaccounted for, according to the State of Louisiana public press releases. Will you please make Louisiana accountable for the missing dollars? Secondly, Solution 3 100% Reimbursement program was closed Dec. 31, 2018 which means they wouldn't have known the full amounts of actual distributed money. Keeping the budgets talked about in the Management meeting Oct. 10, 2018 and closing the Governors Reimbursement programs there is a shortage of funds once promised in July 2018 in the amount of \$128 million. To reduce further issues the state now is blaming HUD's 55% goes to LMI as the excuse the program is short by \$124 to \$128 million, according to the state pipeline reports of 2019. The need for > 120% is \$129,074,719 The Budget for > 120% is now cut in half to fit at \$64,537,360. The numbers reference come from the \$309 million the Congressman asked for in July 2018. Taking the \$309 million and apply the \$5 million from APA 10 and the \$171 million from APA 11 there is roughly \$133 million which is close enough to say it's the \$129,074,719 that was budgeted. With basic data factored in, the state had budgeted for 100% of the SBA loans to be paid off, however they 100% forgot that a balance between LMI and >120% was not factored into the budget the full year of 2018. That is the same year the State OCD-DRU began dropping LMI households for any possible reason but not with SBA interests in mind, no way, it was Comite, Watershed, Economic Development, and Infrastructure. It is documented that the Director of OCD, Patrick Forbes, in Dec. 2017 was asked if he felt the Stafford Act Amendment by Graves would have any help to SBA loans. His reply was "No", from that moment on every politician and task force member was looking for and using their words, "Creative ways" to use HUD CDBG-DR funds for other projects. The 18 months of researching and following this program proves that budget and management issues were not followed correctly. Many flood victims are now feeling short changed and discriminated against because of the way this has been handled. Lastly, our state did not notify flood victims (in any manner to my knowledge )of the mortgage assistance available to us as stated by Hud guidelines. I found out about it myself when researching Hud guidelines. The action plan amendment certainly does not follow HUD'S published guidelines for mortgage assistance for flood victims. Hud's guidance states "Interim Mortgage Assistance offers financial assistance to eligible applicants in the Restore Louisiana Homeowners Assistance Program who demonstrate financial difficulty in paying their mortgage due to additional housing expenses incurred as a result of their primary residence no longer being habitable. Interim mortgage assistance may be provided for past, current, and future debt obligations of the mortgage, capped at \$3,000 per month for a maximum of 20 months or \$60,000." FAQ No. 143 Date: 7-25-2019 Updated: 7-25-2019 Subject: Mortgage As someone who literally lived in a

construction zone for months and months (did not receive a Fema trailer) with some family members sleeping for weeks on cots in the driveway of my flooded home, struggling to pay a 1st and 2nd mortgage on a gutted home, this mortgage assistance would've and will still be most beneficial to me and my family to help us put our lives and homes back together. However, with the action plan amendment 12 not even a handful of flood victims will get this mortgage assistance as per pages 22-23 of the action plan amendment 12. It is as if the state of LA is skirting the rules HUD set, rather disregarding them in some opinions, and is now trying to hold on to money meant for the flood victims to try and make up for the shortage in grant funds as mentioned in my first and second paragraphs. After all I have been thru dealing with SBA and FEMA and Restore, I still want to have faith in our government and I hope the matters I have addressed in my comments will be investigated and better solutions can be reached with the LA flood victims' needs at the forefront. It has been a very long and arduous 3 years since the flood and I am still trying to repair my flooded home. Thank-you.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**Interim Mortgage Assistance (IMA) was just approved for RLHP in APA 11. In this approval the IMA could only be applied from the approval of APA 11 going forward. The change requested in APA 12, if approved, will allow for IMA to be available for up to 20 months of assistance with a cap equal to the required Escrow/HOR retroactive to the date of the applicable 2016 flood event. The State plans to request an expedited approval of the requested change to Interim Mortgage Assistance in APA 12.**

**PUBLIC COMMENT Please force the state of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for Homeowners. It is clear the State OCD-DRU and Grantee for the 2016 floods did not follow public statements made July 2018 and in Sept. 2018 that they would wait for the HUD Guidance to be published. The state made claims of having \$683 million that would cover every SBA loan. Today, now, the state says it doesn't have the money to cover all the SBA loans as it once said prior to Action Plan Amendment 11. I ask that you investigate the issue and find the money needed to assist those in all income brackets regarding any issue that has not been fully addressed and that the state acted prematurely in funding and forming additional programs before all LMI, unmet needs and urgent needs were addressed. Those above 120% and below 50% will end up with less than 1/2 or nothing.**

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

## **FLOOD INSURANCE**

**PUBLIC COMMENT** The way these are handled borders on insanity. Our claim was closed because we were told that we had to give our insurance money to Restore Louisiana. And, since we in fact gave our insurance money to our Mortgage Company, Restore Louisiana refused to process our claim.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT** At least issue grants to pay off SBA loans. The reason people had to take loans is because flood insurance didn't pay enough for the repairs. Flood insurance is ran by FEMA, so it all goes back to the federal government.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT** Why is it that duplication of benefits only apply to those that received SBA loans? I had flood insurance however my home was a total loss. Instead of my insurance company giving me the entire check they took it and I had a forced payoff. I am told by restore that that money is held against me even though I did not receive it. The money I did receive from insurance was and is not enough to rebuild/buy a new home. The stipulations on receiving the money as well is ridiculous. Having a mobile home prior means I now have to purchase another mobile home or move into a brand new construction home. Please explain this further to me because those at Restore can not. Thank you

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Duplication of benefits rules apply to all sources of recovery assistance and are not limited to SBA loans.

**PUBLIC COMMENT** The 2016 Flood did not discriminate , so why are they discriminating when it comes to the funds from the Federal Government? When the state took a count of all the people who had flooded and lost everything the numbers where huge, and that is what determine the amount of money that was given to the state. Now that they have received the money now comes all the rules and regulations to distribute the money . Bottom line is if you flooded u should have gotten some of the federal money , whether u had Flood insurance or not. Because one thing I know for a fact is if you didn't Flood and u didn't lose everything , then u don't have a clue of what people went through and how people feel . People lost lives , people lost things and memories that you will never get back - and no amount of money will bring any of that back .

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner

**program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** 1. Will this cover those of us that had insurance which didn't cover all of our repairs due to deductible and depreciation fees that was withheld and it didn't leave enough funds to complete repairs? 2. I was denied benefits, but I went back and appealed it. The appeal was approved and I never heard anything . Will this fall in this category?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. APA 12 applies predominantly to calculation of awards under HUDs guidelines published with respect to removing SBA loans as a duplication of benefits. It does not apply to other sources of duplication, including insurance.

**PUBLIC COMMENT** Because I had insurance and my husband and I work our butts off we were left without help in several departments. We lost three vehicles so had to get 3 vehicle loans and forced to take an SBA for less than we were allowed since we can't afford to repay what we have. We got no payment for any of the vehicles from FEMA or insurance as we could not get our mechanic to confirm the loss was caused by the flood ... the wording wasn't sufficient. We have still not completed our home. It needs painted and the driveway and porch were destroyed ... still are ... we've paid for flood, homeowners and auto insurance for many years; my supervisor and her spouse who make 3 times what we do, got their home completely paid for because they didn't have flood insurance, as did some engineers in my neighborhood. Just not right. 3 new vehicles need comprehensive insurance and flood insurance and homeowners have increased dramatically. I was going to retire at 62 but can't now as I have too many bills. I am currently 63. Our older son is disabled. Would like to elevate our home but that's out of the question. We had to pay out of pocket for several months of storage unit. We were not granted a housing unit. We still need our home painted, driveway and porch repaired, repairs deemed necessary by the Restore inspectors and help to repay SBA we were forced into getting.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

## **INCOME LIMITS**

**PUBLIC COMMENT** With regard to those of us who have been strung along for the last three years, since the flood of 2016, here are the facts: 1. Once the SBA loans were no longer considered a DOB, those of us who were denied grant money due to the SBA/DOB penalty, should now fall under then same guidelines and rules as those who initially received grant money, which was no AMI restriction. The "hardship" we all suffered and are still suffering is, we lost everything. It is incredibly insulting to now ask

us to prove additional hardships. If there weren't a financial "hardship" why would we borrow money? Why would we run up credit debt? Why would we mortgage our homes? Not only did we suffer devastation once in 2016, but our government continues to cause suffering to tax paying citizens by making us jump through more unnecessary hoops that the initial group of recipients did not have to. You should All be ashamed. You have no idea what it feels like to loose so much and three years later we are still begging for equal help. I can assure you, there will be lawsuits and the voters will speak loud and clear at the polls, if you don't stop with the political run around and just do what is right by the citizens of Louisiana. And please stop telling us how hard your politicians are working for us. It's insulting.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** this group that are >120% AMI. APA 12 proposes that this group get a 100% grant with no questions asked and no 'factor'. This is discriminatory toward those in the >120% AMI group that DID take an SBA loan and according to APA 12 will be subject to a 'hardship test' AND a '.5 factor'.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** The law as written does not state there is an income requirement to receive funds. Most of the most heavily impacted areas of the 2016 flood were above the 120% income level because of my mother's social security (she lives with us). By only receiving half of the funds, this will not help us. Because we have a mortgage, a HELOC, and this SBA loan, we're unable to change homeowner's insurance (the third lien), refinance our home (it's upside down right now with the SBA loan, so we owe more on the liens than the house is worth), and my husband and I are over 50 years old, and we have a son nearing college age. This only paying half of the SBA loan does not help us much, as we're still going to be making payments on it long past the time we should retire. Either pay 100%, or forgive the loan entirely. Please. I thank you for your attention in this matter.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner**

**program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** If a Household makes under 120 They get help from the government. If you make over 120 and pay the same taxes or you get nothing this is totally discrimination.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** We feel that there should not be any hardship assessment on us because we too out an SBA loan. The DOB has been totally deleted from calculations of benefits so why are we being penalized. Others who were above the AMI were able to receive 100% of eligible benefits. We should be treated fairly just as they were because we are not held under DOB anymore. We are senior citizens retired on fixed incomes and in debt because of this flood. Having us to prove hardship in order to receive benefits when others who received their full checks is discrimination.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** (image copied below)

As a homeowner drastically affected by the 2016 Flooding of Baton Rouge, Louisiana, I am doubly affected by the repeated denial of Restore benefits in which myself and other homeowners are rightfully entitled to receiving to repair our homes. I am denied Restore benefits because of the income restrictions of 120% AMI. In addition, the stipulation that we may be able to receive funds for SBA loan repayment if they can demonstrate a "hardship."

The criteria for a hardship exception must be approved by HUD, who guideline refer to the benefits received or possible received from FEMA, SBA, and or Restore as a considering factor which removed the plan site of hardship because of the factoring of benefits received as income. The process is a wrongful determination when each program has unique policies, guidelines and restriction. The unique policies, guidelines and restriction of each program is wrongfully interpreted to the political advantage of the State which hinders the restoration of our communities in need for revitalization through the repair of flooded home.

I seek your re-consideration of the Action Plan amendment that will recalculate my grant application in the Restore Louisiana program based on benefits guidance issued by the Department of Housing and Urban Development (HUD) from the August 2016 flooding for which I am entitled.

**I seek complete reconsideration of the DETAILS ON ACTION PLAN AMENDMENT 12 to allow for the approval of my application for Restore Grant to complete the recovery effort of my home and community;**

- Explains that households with incomes above 120 percent AMI who accepted SBA loans must be able to demonstrate a "hardship" for the drawn amounts of the SBA loan not to be counted as a Duplication of Benefit

- Sets out the general criteria for hardship exceptions

- This amendment statement should not be a determining factor for those who are above 120% AMI to receive Restore grant benefits. This factor should be removed as a consideration.

- To ensure equality for those above the 120% AMI, this amendment statement was not a considering factor in the determination for benefits for those who received both grant benefits from FEMA and Restore. The determining factor should be the losses as a result of the 2016 Flood and the fact FEMA along with the State has rezoned many residential area from a thousand (1,000) year flood zone to an AE (highest flood zone determination) Zone. The zone changes increase our flood insurance beyond the annual cost of our property taxes and lower the property value beneath market value. I fell as though the SBA loan should be forgiven for those whom took out the loan in order to restore their homes. Unfortunately, I had a small flood policy on my home that did not have content coverage , so I had no other choice but to apply for the SBA loan .

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** Folks with much higher AMIs (300% and above) did not have to apply for the SBA loan as they could pull from savings, etc... and when the \$1.6 billion Restore LA assistance became available, they qualified for tens of thousands of relief. Others like myself with AMIs in the 80 - 130%, did not have enough savings to begin rebuilding and when told by FEMA to apply for SBA loans, did just that. and when Restore LA funds became available... were told that SBA loans were DOB and were denied any assistance (received ZERO grant awards!). So the folks that didn't need to take out loans got additional assistance from Restore LA, and the folks that needed to take out the SBA loan, were denied additional assistance.

No grant assistance from Restore LA, and now having an additional note (lien) on the house as well. That is really adding major insult to injury for our group of Denied by Restore LA due to having to take out an SBA loan. Oh, to have been rich during the devastating 2016 floods! I don't want to sound petty, but it seems quite unfair that the state would increase assistance to those that already qualified for Restore LA assistance from 50% up to 100% BEFORE taking care of those of us that were waiting for legislation on SBA DOB (aka ZERO grant awardees).

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** We were victims of the flood of 2016, not only once but it appears we are still being victimized by the bureaucracy surrounding Restore La. and HUD.

We purchased our home in January of 2016. We remodeled it in March of 2016. Our home flooded in August of 2016. We were not in a flood zone and like so many others that were not required to, we did not have flood insurance.

Two days after the flood water left our home, we began tearing up carpet and padding, hauling our newly purchased, water soaked furniture out to the road. Then the demolition began. Sheetrock, cabinets, doors, door frames and baseboards. So much of our lives were placed out by the road. Our story is basically the same as many other flood victims.

We followed the instructions. Work with FEMA first. Then contact SBA. You won't get another cent from FEMA until you apply with SBA first. Our property was too small to place a FEMA trailer on. We moved in with my daughter in Zachary. We were approved for and accepted the SBA loan so that we could repair the home that we had owned for less than nine months.

We hired a contractor. My husband did not work during the two months that it took to complete the repairs.

That's correct. Two months after the Historic Flood of 2016, we moved back into our home. This was possible because my husband was there every minute with the contractor and workers, overseeing the work, making sure they showed up when they were supposed to and working until they put in a day's work.

We got off our behinds and did what we had to do to repair our home. We did not beg to be put up in housing paid for by FEMA for months. We did not blow our FEMA money then whine because we did not have the money to do the repairs.

But, we now have a 30 year second mortgage to the SBA.

And we have to purchase Flood Insurance.

For us, that is about an extra \$4000.00 annually out of our hard earned income. AND yes, it is a hardship. In response to the flood, the state of Louisiana implements the Restore LA Program. We apply. We let an inspector come to our home to assess our repairs. We now deal with the DOB (Duplication of Benefits) nightmare.

This is the bottom line. We are being discriminated against for being hardworking citizens of Louisiana and making too much money, according to the AMI chart. Let me tell you this. The flood waters did not discriminate when it entered our home in August 2016. The water didn't hesitate to enter our home, asking what our income was before devastating our life. And to add insult to injury, you are basing the

AMI on income earned in the current year when you should look at the year of the flood when we lost income.

We should be entitled to the benefits of the Restore LA program regardless of our income, if only to repay our SBA loan.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** It is not fair for people to be penalized because of their income. If income was not a factor for those that didn't take out a loan it shouldn't for those who did. Questions: I am in the process of a divorce. Will i be able to update my income? Once updated, will I still have to apply for a waiver or will I qualify with my new income?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Income should not be a guideline for being eligible to get money. If those that did not take an SBA loan weren't penalized for their income, we shouldn't either. I am in the process of a divorce. Will I be able to change my income and now fall below the income guidelines? Will I still have to file for a hardship or will changing my income automatically make me eligible without the waiver?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once APA 12 is approved by HUD.

**PUBLIC COMMENT** Good Morning...I am having a hard time figuring out the logic behind APA12. The flood of 2016 did not discriminate on which income bracket to hit. It hit EVERYONE. I lost everything that I had worked so hard my entire life to obtain in one fell swoop. So why is it that the people that did what

they had to do in order to get back to some sort of normalcy being penalized in this process? We were strongly encouraged by our case workers to apply for the SBA loan...how were we to know that it would screw us eventually? The Restore program was not even in place when all this took place. I took the least amount of the SBA loan that I could, just to get back into my home. I didn't have a choice if I wanted to provide a safe environment for me and my son. As a single mom it has been a struggle for me to recover from the 2016 flood. The SBA loan, depleting my savings and maxing out my credit cards just so I could provide a home for myself and my son has created a financial hardship on me. How is that fair? SBA loans should not be forced to be paid back when there are more pressing issues that this money can help with such as paying credit cards down and higher rate loans. It is a shame that 3 years later we are still having to deal with bureaucratic mumbo jumbo, when all we wanted was to try and re-establish our lives to the best of our ability.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program is still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** After the flood we received \$19,000 from FEMA that paid for our contractor to remove all damage from inside our home. It also helped with expenses we incurred while living with our daughter and her family. We were able to return to our home sooner than most, but we had no floors, walls etc. We spent just over \$49,000 in repairs to our home, replacing furniture and appliances and some clothing. We used most of our savings, but stopped short of using retirement income that was available. The \$25,000 we borrowed from SBA was a great help and the interest rate makes it easier to pay back. Our combined income from SS and Retirement totals just over \$79,000 per year. We know full well that many were impacted more than we were. However, with the money that has been set aside I think everyone that was impacted by the flood is entitled to be compensated. Being able to payoff the SBA loan and recover some of the money we used from savings would be a "fair" outcome for us. Again, we realize many are worse off than are we and should be cared for first. We ask only that Restore La consider everyone as individuals, not a certain class of citizens who may or may not have to prove a hardship. We appreciate the opportunity to make these comments and will wait to see what the future brings. Thank you for what you are trying to do. We can only imagine the "headaches" you are having to deal with from Washington. God Bless you all +++

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program is still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** I would like to say the reimbursement eligibility is unfair and the process is flawed. We were lied to and told to apply for SBA to qualify for additional funding. Then, we were punished for doing so. As a victim, I have acquired many bills due to the flood, while others received lumpsums regardless of their income and not obeying instructions given to victims. Rules should apply to everyone. Income was not a factor for victims that did not apply for SBA and should not be a factor for victims that applied.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program is still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** My husband and I are both retired and were victims of the 2016 flood. We did not have flood insurance and we were of course devastated, and turned to **FEMA** for their help. They advised us to apply for an SBA loan, which we did. We could have obtained a loan from any other bank in the area, but chose SBA because **FEMA** told us to. We were approved for \$85,800 from SBA of which we only borrowed \$50,000.00. Now, we are being penalized because we took out the SBA loan, as advised by FEMA, instead of taking a loan at another lending institution. We are also above the 120% AMI. I have read where homeowners who were above the 120% AMI and **DID NOT** take an SBA loan, were reimbursed 100%. Why can't we be reimbursed for the remainder of funds available that we were approved for by SBA? The amount of \$35,800 was not borrowed so I think I should be reimbursed that amount immediately. Then, whatever percentage the remainder of the money is, that is appropriate, would be reimbursed at a later date. I have read that now, because I am above the 120% AMI that I will only get 50% of reimbursement funds!! This is not fair, discriminating and wrong! We trusted FEMA to give us valuable information and guidance at such a devastating time in our lives. But, turns out, we were misguided and are being penalized because we did EXACTLY what FEMA told us to do. Thank you for any help and/or consideration that you may have for us.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program is still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** We signed on with Restore LA back in 2017 and I was still working an outside job. But, now we are both 70 years old and are Retired. It will be much more difficult financially now on a fixed Social Security income. I think our file needs to be recalculated based on our current Social Security fixed income. Please let me know if there is any help available. Thanks so much.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once APA 12 is approved by HUD.

**PUBLIC COMMENT** Reference: Page 16 of APA 12... 'SBA Zero Draw Population' >120% AMI the count/amount is 798/\$26,502,908. The fact that this population of applications have already received their award adjustment and that no 'factor of .5' will be applied to this group to ensure that 55% of funds are awarded to the <80% AMI group is discriminatory to the > 120% AMI partial SBA loan draw down group

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I am disappointed that those homeowners who did not get assistance early on from churches, community, restore due to our age and income are now punished again. Homeowners in my income bracket have worked hard. We were willing to wait so that the lower income could get the most help. I believe that the hardship rules should allow all of the homeowners who waited and sacrificed the opportunity to be made whole again. We are asking that SBA loans are paid in full in spite of income bracket

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program is still adequate to The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I was told to comment on my denial letter I received because of my SBA loan. I'm still being denied because of our income and we lost everything and had to start all over. I called and it's still a waiting game we are living check to check n debt. We didn't choose the flood it chose us we need help NOW WHAT CAN WE DO?????

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I live in Hammond and was one of very few in my parish to flood. My home was never even thought of to be in a flood zone so I didn't have a need for flood insurance. I was in my FIRST WEEK of a new job and had to take time off to gut my house because I like thousands of others didnt have thousands of dollars to contract someone to do it for me. I received 14,000 from fema and I'm appreciative. But when you think about it how far does that really get you when your rebuilding a home and not to mention personal items destroyed. SBA approved me for a loan for 50,000. Not wanting to take out a loan I took the 25,000 option because basically I had to. I am well over 120 ami and I do have a good paying job. But I still have a loan to pay off among many more bills. I don't understand why the ami is in effect. It is just not fair and is quite discriminating if you ask me. Those who flooded dealt with the same hardships. I was homeless just like many others. The water did not discriminate to the poor or middle class. I just want my SBA loan paid off. It's just sad the people that took the loan are getting this sort of treatment. It's just not right.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Why are people who are 200% AMI getting restore checks even though they didn't take a SBA loan and People such as myself who are 127% AMI and drew down on a SBA loan are having to wait or pay back their SBA loans instead of finish their house? If you had 200% AMI and didn't take a SBA loan that tells me you had money to do the rebuild and didn't need help right away, hence the financial burden I put myself in taking a SBA loan, Higher rate loans and maxing credit cards to get my life back on track. Why are people being made to Half -ass pay back a loan. Example, My restore grant claims i would MAX see a check of 32000, my SBA loan is 50000, so in turn, making the checks out to both SBA and myself and forcing me to pay back a loan that would still be over my head is stupid. Not only would i have the financial hardship from the credit cards and loans but i would ALSO STILL have the SBA loan and the money would have done nothing to help my recovery in the first place. I SHOULD NOT be forced to pay back a SBA loan which i can afford at the rate, when i could pay down hardships that are much more important. The FLOOD DIDN'T ASK HOW MUCH I MADE BEFORE IT TOOK EVERYTHING FROM ME, 7ft for a week. The recovery process shouldn't care how much i make. The lower / middle class or lower 55% much receive grants or the money first. OK Cool, WHY ARE PEOPLE WITH 200% AMI THAT MAKE 3 TIMES WHAT I MAKE GETTING CHECKS AND I AM ONLY !27%?!?!?! SBA payment should NOT BE FORCED to be paid back.. when there are more pressing issues that this money can help with such as paying credit cards

down and higher rate loans down.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Hello, first off I would like to comment on the hold up of the funds to begin with, SBA is a loan that we have to pay back on top of other loans we had to take due to the "hardship" of losing everything we owned in the flood of 2016. We should not be penalized for taking the loan in which they forced us to take and waiting over three years to get help with money to get our lives back on track. We took a sba loan and our home is still not finished , we have multiple high interest loans that we took from small loan companies and also a high interest car loan that I would much rather pay off rather than my basically no interest SBA loan . The money from restore is ours to do with as we please that is what the money is for . To get our lives back. Not for the government to control who and what we spend it on. We still have appliances and bathroom tubes and cabinets with mold yet the hud executives think paying part on a sba loan is the best decision. It's not! Please do right by the citizens of the state of Louisiana. The flood of 2016 did not discriminate.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT** Please consider helping those with over 120% AMI. OUR SBA loan has been a huge strain on our family finances and we have been unable to recover from the flood's financial hardship even three years later. Our income at the time of the flood was not the income that was used to determine our AMI.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA DOB. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once

**APA 12 is approved by HUD.**

**PUBLIC COMMENT** I believe everyone who suffered from this flood, regardless of income, should be eligible for this grant - and not just a portion of it, 100% of it. We were not required to have flood insurance and we flooded. In order to be able to appeal FEMA, we were forced to apply for an SBA loan. We could have gotten a loan from a bank, but we wanted to appeal FEMA. Ultimately, FEMA denied our appeal. We, of course, were approved for the SBA and we drew down \$25K to have as a buffer. We paid it back after a few months because we can't afford to have an extra note. We have had to scrimp by and purchase everything we have needed to restore our home out of our own pocket. My husband has done 95% of the work himself because we don't have the money to pay someone else to do it. We are almost 60 years old. This flood has set us back almost a decade because it has cost us so much time and money and we still have things that are not taken care of yet. Why should we suffer because we are middle class tax payers?!!! It appears to us that it is a penalty to have decent credit and a middle class income. Please fix this so that the middle class can be assisted with this tragic loss of property, money and time. Thank you for your consideration.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** As I appreciate if you didn't take SBA although qualified for it then income is not a factor. If you did then the 120 rule kicks in. This should be attacked. That means the people who didn't take the loans could afford to rebuild without. I didn't fall in that category. I had no choice but to borrow to rebuild. I had to take both personal and business loans and I am only slightly beyond the 120 mark. But I am not just paying the personal loan I am also paying the business. 2016 was the worst income year in years because I virtually had no business the last quarter. If you take someone who is at 118 and has their SBA loan paid down and because I am at 122 I get no restore funds and then I have to pay loans with POST TAX dollars I am in a far worse scenario than than person is. So many other things should be considered. For example that person who is at 118 may work for a plant and spend \$200.00 for health insurance. I pay \$550.00 for a high deductible plan. I have no retirement to speak of at 51 years old. At 49 I had to add over \$220,000 worth of debt due to the flood. In order to pay it all back, even with low interest, I will be working until I die. I feel penalized for working hard and doing what it took to get my house and business back in order.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Good morning, APA12 is not fair to the people who work hard to be above the 120% AMI calculation. After receiving help from FEMA, our case manager strongly pushed for us to apply for SBA because there were no other programs available (Restore came out a year later).

The people who had other means of getting finances to finish their houses, regardless of their income, were given the grants. We lost everything just like the people below 120% AMI and struggled just like they did. Many people that have already received Restore grant money were not held to the above 120 AMI calculations, so why are those that took out the SBA loan being penalized? All should be held to the same rule of guidance. We took the SBA loan because we did not have any other choice and wanted to get back into our homes to provide some sort of normalcy for our children.

Why are we being punished for doing the right thing? The law that Congressman Garrett Graves wrote did NOT have a word about income limitation in it, so trying to throw that verbiage in there now is ILLEGAL. Also, I do not believe it is fair to have the checks written out to SBA.

Example, My restore grant shows I would see a check that is significantly less than the SBA loan I drew down on. So in turn making the checks out to both SBA and myself would only force me to pay down on a loan that would still be over my head. Not only would I have the financial hardship from the credit cards and loans but I would also STILL have the SBA loan and the money would have done nothing to help my recovery. I SHOULD NOT be forced to pay back a SBA loan which I can afford at the rate, when I could pay down hardships that are much more important (higher APR rate/higher monthly note).

I believe the HUGE misconception about this whole plan is that they believe just because we are over the 120% AMI that we are able to take on more debt and survive, when that is not the case. The flood did not discriminate so neither should Restore. Everyone that flooded lost what they worked for no matter how much money they make per year. I work for the State of Louisiana and I pray every day that this state funded program will make this right for EVERYONE that deserves this grant!

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** It's illegal. It's against the law to discriminate against households over 120% because the law states a grant cannot be duplicative of a loan. What HUD is doing is illegal. Period.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I was a flood victim and had to rebuild my home and received the SBA loan. My AMI is over 120% however I was given prime rate of interest on my loan which was 3.25 interest rate. I was told by the loan officer that since I had good credit, not very much debt and a job that this program wasn't

intended for people like me. (Her words to me.) She also said that I could walk in any bank and get prime rate therefore that's the rate I would get through them. How is this a duplication of benefits? I didn't even get the low interest rate. I should have done like she said and made a loan at the bank and perhaps I would have been better off. I was lucky that I have worked all my life and saved and my home was paid for before the flood. I have a loan now that I didn't have before the flood plus used a lot of life long savings. Is there anything that takes in consideration for people like myself?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** We feel like this loan will eventually be our downfall. Having this SBA loan is like having two mortgages and if we were to flood again, even though we have flood insurance now, it never pays enough so that would be it for us. We are not wealthy even though we make more then the AMI that was used to qualify, we still have unexpected bills and family situations that cost money like everybody else. We work everyday and some weeks live paycheck to paycheck. Just because we didn't wait around for a handout and did what we needed to do to get back home doesn't mean that we should be punished or are not as deserving as everybody else. We have always worked and contributed and this whole situation has been like a slap in the face! We owe more on our house then we did when we bought it 15 years ago!

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** The APA Amendment 12 proposes a .5 factor for particants that are >120% AMI and are approved for 'hardship'. The .50 goes to insuring that 55% of the grant funds go to LMI. Why is a percentage of the >120% participants that declined the SBA loan 100% being forced to contribute a percentage to their grant amount to support the LMI requirement?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120

**percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** Thank you for the opportunity to comment on the substantial action plan amendment no.12 for the utilization of community development block grant funds in response to the great floods of 2016. My comments are specific to the plan amendment regarding applicants with household incomes in excess of 120% AMI. APA12 is inherently biased against the population of victims with household incomes in excess of 120% AMI. People with household incomes in excess of 120% AMI have already received Restore LA grants. How does the state justify changing the rules for certain households after awarding grants without regard to income?

I applied for an SBA loan after **strong** encouragement from my FEMA case manager. I also knew that we needed to do everything in our power to repair our home as quickly as possible in order to maintain the property value of our biggest investment. The SBA loan was in addition to draining our savings account, incurring credit card and loan debt and cashing in investments.

Rebuilding a home AND purchasing new furniture, clothing, cars, dishes, shoes and everything else that a person loses when they have four feet of water in their home is devastating to anyone. However, we made the sacrifices and rebuilt and the majority of people in our neighborhood have done the same. We are the folks that are being left behind by Restore Louisiana, the Office of Community Development and Governor Edwards. Why are we being penalized for taking advantage of every opportunity to rebuild our lives and do the right thing for our community? Maybe we should have walked away from these flood ravaged homes and taken the easy way out by waiting around and doing nothing. Or better yet, if we had been such a terrible credit risk that we were denied an SBA loan, we would have been rewarded by receiving a Restore Louisiana grant.

Many victims received rebuilding assistance and contents replacement through charities and other free help. The folks that are now being denied Restore LA grants are the ones that did not receive free assistance. It is truly a shame that the people that work hard and pay higher rates of income taxes are the people that will be left behind, again. I urge the state to reconsider. People should not be penalized for hard work, perseverance and accountability.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I am curious how my AMI was determined and was hoping someone would clarify for me. On my Zero Grant Award calculation, RESTORE lists my AMI at 235.72%, yet, when I look at the chart, EBRP median income for a 1-person household is \$62,843. I make nowhere near this amount annually, therefore, wouldn't that make me eligible in some way for any grant funds? I would very much appreciate if someone would please help me understand this better. Thank you.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once APA 12 is approved by HUD.**

**PUBLIC COMMENT** I lost everything in 2016 flood. I retired in Oct. 2016 after 26 yrs with the state. I had saved up \$70,000 to supplement my retirement income. I spent \$50,000 rebuilding and refurnishing my house. They used my 2016 tax returns to estimate my AMI percentage. I retired in Oct. 2016. I now make only \$24,000 a year. I applied for SBA loan, but didn't take it because it would have been a hardship. They should recalculate my AMI using my 2017 tax returns. I would be below the 120%. I spent ALL of my retirement savings because of the flood. I sure wish some could help me. Thank You, Vietnam Veteran,

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once APA 12 is approved by HUD.**

**PUBLIC COMMENT** Page 16 of APA 12 indicates that there were 798 > 120%AMI participants that were 'zero draw' from the SBA loan program. Why isn't some percentage of the grant award for these households being reduced by the same .5 factor as those of us that are not 'zero draw' to meet the criteria for 55% of the awards going to LMI households?

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** I have read the plan and disagree with using income against recipients of SBA loans but not against those who didn't take a SBA loan. This is discriminatory and once again taking an SBA loan is being held against us. I could have easily gotten a home equity loan and would not be penalized. However, I was practically forced to take the loan. Even when I didn't want the entire amount they were reluctant to change the loan or change the term of repayment. All of this is totally unacceptable. The SBA even got the date wrong on the loan after I had filed it with the Clerk of Court causing me to have to pay again to file a revised document.

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**PUBLIC COMMENT** According to LA restore I qualified for \$23k which none of I accepted of that \$23k I have gotten \$0 back. Not sure how this is accurate or fair. Not to mention my house was built under Hud and is finance by USDA but because I'm middle class I get nothing. With a son who was medically discharged from the military.

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#### **HARDSHIP**

**PUBLIC COMMENT** Applaud the state on fighting for this important change. Hope consideration on hardship criteria includes the time period from the Floods to current, particularly for expenses and dependents that may have changed over time.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** I have been told by 2 RESTORE LA personnel that I was going to rec \$30K+ to help repair my house only to be told by another representative that I won't since I had flood insurance. Within a couple of weeks my mtg company sent \$94K & he never fixed my house. To date it's still uninhabitable. For several months I lived in a 16'x20' shed in my backyard, but now I'm temporarily living with my daughter; However I want to get my house repaired so I can move back home.I NEVER RECEIVED INSURANCE MONEY, MIKE SIMMERS DID.I don't understand why I can't get the money I need to fix my house!? I'm a 100% disabled, 76 year old female veteran on a fixed income & I'm maxed out with very little money to buy what I need to fix my house. Can anything or anyone help me? Is there any hope that I'll receive any financial help since I've jumped through all the red tape hoops & was told I'm qualified? Thank you.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT RE: STATE OF LOUISIANA SUBSTANTIAL ACTION PLAN AMENDMENT NO. 12 FOR THE UTILIZATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN RESPONSE TO THE GREAT FLOODS OF 2016** The hardship disability for 120% AMI should specify whether Disabled Veteran Status falls in that category.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** Re: Flood August 2016 Hardship Categories / 120 The August 2016 flood WAS itself an emotional, psychological, physical and financial HARDSHIP for all who experienced it. My family was out of our home for more than a year. My wife and children still experience extreme anxiety every hard rain. In addition to our regular mortgage, we now have an unanticipated second SBA mortgage for the next 15 years, while still paying our taxes every year. Through no fault of our own but, due to lack of program information, lack of full disclosure of by aggressive FEMA lending agents and inept and discriminatory HUD rule making, the emotional and financial hardship continues. As I am sure most others do, who are experiencing this new reality, I find it completely DISCRIMINATORY and INSULTING having to explain how losing all of our worldly possessions, losing irreplaceable family heirlooms, as well as the emotional and financial toll on my family are hardships, just because we make above 120% of the income threshold. There should be no exceptions based on income to the law removing the duplication of benefits. It is a violation impose such criteria and is itself discriminatory. I pray that equality and justice will prevail in this instance and that no one ever have to experience this ongoing hardship again.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loans. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** What is considered a hardship? Does age and still having to work to pay a loan that we were told was our only way of getting any financial help to rebuild? Why weren't we told from beginning to not take loan money, wait for free money? I have to work to pay off a loan and I'm almost 70 years old. Yet I can't quit just So I MAY get something to pay part of the loan. I still have credit Card bills and savings that were also used. Any hope of me getting anything or do I JUST GET TO KEEP WORKING AND PAYING TAXES SO ALL THE NON WORKERS GET THE BENEFITS? THE RIDICULOUS RULES OF THE GOVERNMENT ARE A SAD THING FOR THE CITIZENS HAVING TO BEG FOR THIER OWN GOVERNMENT TO HELP THEM. ILLEGAL ALIENS DO NOT HAVE TO BEG; ALL THEY HAVE TO DO IS HOLD OUT THEIR HAND. THEY DO NOT EVEN HAVE TO SAY PLEASE OR THANK YOU. Who do I contract for an explanation of why I can't get some of the money I have donated through years of myself and my husband working and paying taxes.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** My hardship is I now have an extra \$300 a month bill I can't afford thanks to SBA. On top of that I have three children now in house that is to small. I can t sell my home because of the SBA lien. I'm completely stuck until there is enough equity in my home to pay off the SBA loan. There are people that had 2 inches of water receive far more from FEMA for being poor. I had almost 4 feet. It's not right to make judgements based off income when you have zero clue how much of my apparently above average income is going to bills. On top of an 82,000 SBA loan I'm stuck with I also racked up 20k in credit card debt from the flood. We literally lost everything minus our health.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** As a homeowner I want to express my concerns on the income/proof of hardship for some of the residents to be eligible. I myself work 3 jobs to maintain my mortgage and 2 loans I acquired to restore my flooded home. I used SBA loan funds, as well as, a loan from my retirement plan to accomplish this. Like many other residents, I met a contractor that did not perform the work needed properly, so I had redo what was done wrong, incurring even more cost. I am hoping the Department

would take into consideration that just because someone may reflect an income greater than the 120%, it doesn't reflect how or why I or any other person is at that income level. Mine is purely hardship and necessary to maintain repayment of these loans. Thank you for allowing me to comment.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I am retired and 67 years old. I am facing hardship by being penalized for over 120 ami I was initially approved and now denied, just not fair

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** 1. The HUD guidelines for DOB that require hardship determination are not in line with the intention of the congress. No hardship determination was required for those who did not take out an SBA loan. The hardship determination should be eliminated.

2. In order to meet the HUD LMI % requirement, funding allocation to past RESTORE grantees who did not take out an SBA loan should be reduced instead of arbitrarily cutting DOB grantees with AMI >120% to the 50% level. All grantees with AMI>120% should be reduced by the same percentage. For example, a billionaire who received 100% grant funding but did not take out an SBA loan should have their grant reduced to the same % as the person who is one dollar above the 120% AMI level but took out an SBA loan. The billionaire did not need the grant funding. The person with 120% AMI + \$1 does need the grant funding.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** While the recent FIX helps some, it leaves some such as our household without any assistance unless we can prove a "hardship". Receiving three feet of water in our house is hardship enough! I don't understand how a hard working husband and wife has to prove a hardship where someone that is within the income guidelines doesn't. Fair? Not....

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. At this time the program still has adequate funds allocated

**to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** My family was affected by the flood in 2016. We had no flood insurance because we were not required to have it. We had to gut our entire house from floor to ceiling leaving us with nothing. Keep in mind we were a 22 and 23 year old, recently married couple trying to make ends meet at that time. We were pushed into taking out an SBA Loan along with receiving FEMA grants. And might I add, the SBA loan also placed a second lien against our home. My husband and I make above 120% AMI combined, so you're telling me we have to prove a "hardship" to get reimbursement for a loan we had to take out to rebuild our lives. I think it is ridiculous that you can grant money to people who obviously don't work for a living and live off of government assistance, but hardworking, tax paying citizens get nothing. Is it because the government knows those "low income" families most likely won't pay back a dime towards their SBA loans so this is an easy way for them to get that money back? And for us who actually pay our bills we get stuck with debt from a natural disaster no one was prepared for. Doesn't sound fair to me. My experience with the flood was in no way different than anyone else, so why do they get reimbursement and have their debt cleared, but because my husband and I work hard and have good paying jobs, we get nothing. We deserve reimbursement just like everyone else.. hardship or no hardship.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** During the process of recovery from the 2016 flood, not only was there a loss of property and personal belongings (in our case) \$161,000.00, there was a personal loan and ensued credit card debt due to the fact I couldn't go to work because I had nowhere to live and had to work towards recovery. In the weeks of trying to clean up, work stopped, but our regular bills kept coming in. After the insurance payout(\$74,000.00) and paying mandatory pay off(\$77,000.00) of the current mortgage at the time of the flood we had \$0.00 left from insurance, with only what we had in savings to start with. At that time the best option we had was to take the SBA loan because we didn't know what we were going to do. So now they are going to hold that against us. It was the best option we had at the time. There will be people with higher incomes than me getting free money because they turned down the SBA loan but the people who took the loan will have to pay it back. I think all the people who took the loan should be able to receive the grant from RESTORE, but force them to put the whole amount toward the SBA loan. If I follow the conditions of my contractual loan with SBA I will be 74 years old before it's paid off. Yes, it is a smaller note with less interest but due to the debt ensued during the recovery it is hard to pay extra to have it paid off sooner. The victims of the 2016 flood should not have to prove a hardship! Don't they think being a victim of the flood and losing almost everything they owned enough proof of hardship? I know the lower income victims need more help but why discriminate because of income. We all suffered a loss! Thanks! Have a great day!

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary in order to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I am one of those people who flooded in 2016, followed all the rules, applied to SBA as instructed and was deemed ineligible for a grant because of the duplication of benefits problem. So along comes Congressmen Cedric Richmond and Garret Graves who passed a law and fixed that problem and President Trump signed it into law in October 2018. This should have been the end of the story and we should have received a grant at that point. But HUD and OMB made sure that "red tape" was put in place to foul up the intention of the law (in my opinion). This whole idea of having to apply for a "hardship" for those of us over the 120 AMI to receive a grant through Restore is hateful and discriminatory. We are in our 60's. We were over 60 at the time of the flood. I had planned to retire in 2020, but now cannot retire for as far out as I can see. All because we lost literally everything we owned in the great flood of 2016. We had to rebuild our home, buy cars, buy clothes, furniture, household items, technology, tools and all the little things necessary to live in this modern world. While we were rebuilding, we had to rent an apartment and take on all those expenses on top of normal mortgage and other expenses associated with owning a home. The costs were staggering and the SBA loan (that we have to pay back until we are in our 90's) is just a small portion of that expense. There should be no discrimination against people who took out an SBA loan. We should be treated as fairly and equally as those who declined or never applied for an SBA loan. We should receive 100% of the grant amount (not 50%) and we should receive that grant immediately. Others have received checks. Anything less is discriminatory and fails to live up to standards of the United States of America and the State of Louisiana.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary in order to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** Full relief is only being offered to those that fall in the 'LMI' category. Did the flood only target those within the 'LMI' category? No it did not. Why would relief efforts do so? I bought my house at 26 years old, just out of college. Three weeks later it flooded. And now I have to prove and convince you that this caused a hardship? Because I make a certain amount of money? Not to mention the AMI% calculation HAS GOT TO BE FLAWED. There is no way that \$50k a year is enough to put someone into the 250% AMI category. If thats the case, then this state has a much larger problem on their hands.

Regardless, this storm caused me to take a SECOND loan out to cover damages. A loan that I was told was my only way out. Then a few months later Restore LA comes around and refuses to help because of the loan I was pushed to take. This is a racket, and the state should be absolutely ashamed of themselves for allowing this to happen. Not only that, but it takes nearly three years to fix the flaws within the legal system surrounding this issue. Is everyone over there sitting on their hands? I'd be curious to see how quickly funds would get pushed through if the Governors mansion were to flood. I'd be willing to bet it would not take three years. You all were elected and appointed and hired to work FOR THE PEOPLE of the state of Louisiana. Now you're doing everything you can to steal from our pockets. How does allocated money get frozen? It can't be used anywhere else. There are people living in construction zones STILL, and now you're telling them/us that funds wont be fully available? HOW??? And on top of that it would only be a percentage? HOW IS A LOAN A BENEFIT? This is pure corruption, and there isn't even an attempt to hide it. Shame on all of you. Do the right thing, help the people of your state who are truly suffering from this; and not just one group of those people. Flood waters don't discriminate, neither should you.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

#### **GENERAL**

**PUBLIC COMMENT** Housing LOUISIANA appreciates that the Louisiana Office of Community Development is reviewing and accepting comments on the action plan amendments pertaining to the duplication of benefits guidance for the 2016 floods. HousingLOUISIANA is a statewide initiative aimed to meet Louisiana's housing needs and create a statewide network of regional housing alliances to ensure better collaboration across the state. We work on an annual Statewide Listening Tour with partners around the state to collect policy priorities, and we hope that the new rules will actually help communities across the state with their recovery and not exacerbate residents' issues. Many parishes across the state were heavily impacted during the 2016 floods and are still working towards a full recovery. We asked that Office of Community development work closely with residents and community to ensure they understand the changes being made and how it may impact their community. Thank you for your consideration!

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.**

**PUBLIC COMMENT** Please force the State of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for homeowners. It is clear the State OCD-DRU and grantee for the 2016 floods did not follow its public statements made in July 2018 and in Sept. 2018 stating The OCD-DRU would wait for the HUD guidance to be published. At that time the State OCD-DRU indicated there was a total of \$ 683 million, which would cover the cost of EVERY SBA loan. Today, the

State OCD-DRU has now said they do not have enough money to cover all SBA loans, as publicly stated in July and September 2018. I am requesting that you investigate the issue and please force the State of Louisiana OCD-DRU to return \$171 million to the Homeowners Assistance Program which would then be balanced to provide relief for all of those that have and were forced to take SBA loans to cover the cost of this tragedy that befell us here in Louisiana in the year of 2016. The State of Louisiana acted prematurely in diverting funds out of this program, forming and funding additional programs before all LMI, unmet needs and urgent needs were addressed. Solution 3 100% Reimbursement program was closed Dec. 31, 2018 which means they wouldn't have known the full amounts of actual distributed money. Keeping the budgets talked about in the Management meeting Oct. 10, 2018 and closing the Governors Reimbursement programs there is a shortage of funds once promised in July 2018 in the amount of \$128 million. To reduce further issues the state now is blaming HUD's as it requires that 55% goes to LMI as the excuse the program is short by \$124 to \$128 million, according to the state's pipeline reports of 2019. The need for > 120% is \$129,074,719 The Budget for > 120% is now cut in half to fit at \$64,537,360. The numbers reference come from the \$309 million the Congressman asked for in July 2018. Taking the \$309 million and apply the \$5 million from APA 10 and the \$171 million from APA 11 there is roughly \$133 million which is close enough to say it's the \$129,074,719 that was budgeted. With basic data factored in, the state had budgeted for 100% of the SBA loans to be paid off, however they completely forgot that a balance between LMI and >120% was not factored into the budget the full year of 2018. That is the same year the State OCD-DRU began dropping LMI households for any possible reason but not with SBA interests in mind, no way, it was Comite, Watershed, Economic Development, and Infrastructure. It is documented that the Director of OCD, Patrick Forbes, in Dec. 2017 was asked if he felt the Stafford Act Amendment by Graves would have any help to SBA loans. His reply was "No", from that moment on every politician and task force member was looking for and using their words, "Creative ways" to use HUD CDBG-DR funds for other projects. The 18 months of researching and following this program proves that budget and management issues were not followed correctly.

**APA 12 Page 2:** "This APA 12 is considered substantial per guidance issued in 84 FR 28836. However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments. This APA 12 does not propose additional applicants as a result of the DRRRA. Regarding the programs referenced expected to be impacted by the DRRRA, all intake periods have closed and will not be extended as a result of the DRRRA."

- "However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments."

Note: APA 12 in it's current form shows no program budget changes which is true, but, because it shows no program budget changes the current program is not funded enough to cover all the eligible applicants. This is evident in APA 12 on page 18 "LMI Phase II Adjustments (>120% LMI)"

"...APA 12 proposes disbursing funds to populations with incomes in excess of 120% AMI using a multiplier of 0.50"

The 50% reimbursement instead of 100% reimbursement appears to be related to an over spending in the Solution 3 Reimbursements program when it changed from 50% to 100% July 2018 under Governor Edwards request. The Task Force questioned the state about SBA DOB funding and the state assured the task force that all SBA DOB will be covered. The task force voted unanimously for the Solution 3 Reimbursements increase from 50% to 100%. The program was correct, it did have the budget balanced up and to APA 10 for \$5 million and APA 11 for \$171 million. Taking the figures provided by the states policy makers in APA 12, it is clear that the state of Louisiana required \$129,074,719 at a minimum to cover all income groups under the SBA DOB changes in both Public Law 115-123 and 115-254. To balance the budget, the state reduced SBA DOB offerings that impacted a single income group, the >120% AMI households which is shown in APA 12 on page 18. The state did not restrict Solution 3 Reimbursement homeowners to a multiplier of 0.50 as it is doing in APA 12. This type of housing discrimination has been

addressed in other storms and other programs when one group or class of citizen is given a higher award amount based income or geographical location. In this case it appears the discriminating factor is those accepting a federal disaster loan from SBA compared to those that accepted traditional lenders and bank loans in Solution 3 Reimbursements program which closed Dec. 31, 2018. In APA 12 the state of Louisiana identifies a group of grant recipients that have not closed on their grant awards. The state made no public statement about the July 31, 2019 grant closing deadline that was clear and without doubt not related to hundreds of homeowners. Even on the states official [Restore.LA.Gov](http://Restore.LA.Gov) website the bottom line: "This deadline may not apply if you have SBA DOB. Please reach out to your assigned case manager for any questions." This was ambiguous to hundreds of homeowners that called and emailed case managers. Those that received the letter from June about the deadline of July 31, 2019 recieved information from case managers that they could not ask for additioanl time while others were simply told it doesn't apply. This type of communications has happened often in the program and without policy published in a scheduled and with advanced notice and given reasonable time for homeowners to comply with the new policy many simply feel the state has all the control over their grants awards and they can't say or do anything to secure their recovery.The deadline for new applicants announced July 13, 2018 during the task force meeting was Dec. 31, 2018. I ask HUD to instruct the OCD-DRU to reinstate the households who had the July 31, 2019 deadline to close on their grants and give all the homeowners in this group 180 days to make financial arrangements or construction arrangements for them homes. RESTORE LOUISIANA TASK FORCE

July 13, 2018  
Louisiana State Capitol House Committee Room 5 900 North 3rd Street Baton Rouge, Louisiana 70802  
MINUTES GOVERNOR JOHN BEL EDWARDS ADDRESS:  
"RESTORE is mandated to operate in accordance with the guidelines set forth by the US Department of Housing and Urban Development, which provides the federal funding to operate the program. And I want to stress to everyone here today, and those watching online, again, the expansion of reimbursement funds will not jeopardize any potential grant funds available in the future to homeowners affected by Small Business Administration loan duplication of benefits. Should HUD tell us that the program no longer needs to consider declined SBA loans as a duplication of benefits, either because their interpretation of federal law changes, or because the law itself changes."Dear HUD, Force the state of Louisiana and it's Governor to keep its promise we have waited years on and trusted our Governor to keep. Force the state to repeal the sections in APA 11 that transfer \$171 million out before waiting on the guidance as promised by Governor Edwards July 13, 2019 during the public task force meeting at the state capital. Meeting Minutes.<http://d2se92fabdh4cm.cloudfront.net/wp-content/uploads/2019/02/19090907/Approved-7-13-18-Meeting-Minutes-20190215.pdf> Is it possible to end the programs for hurricanes Katrina, Rita, Gustav, Ike and Isaac officially and allocate the undistributed funds to the 2016 floods Homeowners Assistance program directly assisting homeowners financially?New programs approved by HUD such as the Cost Share payment program for homeowners elevating could be a great benefit to the Great Floods of 2016 programs. More funds to homeowners would allow more assistance and greater assistance. From cost share programs with FEMA HMGP and FMA to soft second mortgages for those in need of assistance managing their recapture payment. The hardest hit in any disaster recovery is those that have no means of financially surviving the disaster. Since the hurricanes I have listed no longer assist homeowners directly wouldn't it be logical to move the money assigned to those programs to the most active program and most current program to assist more homeowners? Having 25% of FEMA costs paid by HUD CDBG-DR grants would impact more homeowners after the 2016 floods waiting for elevation grants than any past storms.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana’s Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT (image copied below)**

In response to “Louisiana is asking for residential comment on duplication of benefits guidance for 2016 flood”; I offer the following:

As a homeowner drastically affected by the 2016 Flooding of Baton Rouge, Louisiana, I am doubly affected by the repeated denial of Restore benefits in which myself and other homeowners are rightfully entitled to receiving to repair our homes. I am denied Restore benefits because of the income restrictions of 120% AMI. In addition, the stipulation that we may be able to receive funds for SBA loan repayment if they can demonstrate a “hardship.”

The criteria for a hardship exception must be approved by HUD, who guideline refer to the benefits received or possible received from FEMA, SBA, and or Restore as a considering factor which removed the plan site of hardship because of the factoring of benefits received as income. The process is a wrongful determination when each program has unique policies, guidelines and restriction. The unique policies, guidelines and restriction of each program is wrongfully interpreted to the political advantage of the State which hinders the restoration of our communities in need for revitalization through the repair of flooded home.

I seek your re-consideration of the Action Plan amendment that will recalculate my grant application in the Restore Louisiana program based on benefits guidance issued by the Department of Housing and Urban Development (HUD) from the August 2016 flooding for which I am entitled.

**I seek complete reconsideration of the DETAILS ON ACTION PLAN AMENDMENT 12 to allow for the approval of my application for Restore Grant to complete the recovery effort of my home and community:**

- Explains that households with incomes above 120 percent AMI who accepted SBA loans must be able to demonstrate a “hardship” for the drawn amounts of the SBA loan not to be counted as a Duplication of Benefit
- Sets out the general criteria for hardship exceptions
  - This amendment statement should not be a determining factor for those who are above 120% AMI to receive Restore grant benefits. This factor should be removed as a consideration.
  - To ensure equality for those above the 120% AMI, this amendment statement was not a considering factor in the determination for benefits for those who received both grant benefits from FEMA and Restore. The determining factor should be the losses as a result of the 2016 Flood and the fact FEMA along with the State has rezoned many residential area from a thousand (1,000) year flood zone to an AE (highest flood zone determination) Zone. The zone changes increase our flood insurance beyond the annual cost of our property taxes and lower the property value beneath market value. I fell as though the SBA loan should be forgiven for those whom took out the loan in order to restore their homes. Unfortunately, I had a small flood policy on my home that did not have content coverage , so I had no other choice but to apply for the SBA loan .

**OCD RESPONSE Thank you for your public comment on the state of Louisiana’s Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for**

**the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** When are the citizens like me gonna get help, the money that Restore has that was sent to help people that didn't have flood insurance? People above the 120% have already received money and the rest of us just want to be treated the same (fair). Neighbor down the street received to different checks totaling \$54,000 and many more have also. Are you going to take back that money or make it equal to everyone? Do we need to get another big lawsuit going and have all these people testify? We are working from paycheck to paycheck and others have lost everything. Let me know so we can go forward with this, possibly going National News and to the White House. May take time but what else can we loose? Money was sent to help us and you are not doing your job!

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** THIS WRONG, WHY BECAUSE WORK RESTORE WAS FOR ALL YALL MAKE RULES, NOT FAIR, I MIGHT GET HALF NEED A LAWSUIT,

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT-** I was in Katrina and in the flood of 2016. In Katrina, my ex husband and I were made whole. I'm still \$25,000.00 in debt from the 2016 flood where my house received more water than in Katrina. Bought my house in Baton Rouge 4 months previous to the flood. I was not eligible for an SBA loan since my credit was hit hard from the home purchase itself, moving expenses and appliance purchases for the home. Insurance did NOT cover all of my damages i.e. upper cabinets, replacing bridges to cross the ditch to bring my garbage to the street, front and back doors, etc. I would have PREFERRED a low interest SBA loan over having to put everything on high interest credit cards. ALL OF US DESERVE HELP AND SHOULD BE MADE WHOLE! ESPECIALLY THOSE WHO DID EVERYTHING THEY COULD TO PROTECT THEMSELVES FROM BEING IN THIS POSITION

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT** How Long will this process take?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** I flooded. Home total loss. Condemned, Demolished. Insurance paid out and I paid mortgage off . RESTORE told me last year I was awarded 65 k. But I needed a later from mortgage company stating I was FORCED to pay mortgage off before I could get my award. Contacted mortgage company and could get no such letter. RESTORE basicly said NO letter no award. I contacted RESTORE this year and was told my award was 45k but I need that letter. Spent 3 hrs with branch manager trying to get a letter , faxed information to the mortgage RESEARCH dept and received nothing.. What RESTORE is asking for makes NO SENSE.. If home was condemned leagly I could not demolish it if it did not belong to me. Paid mortgage off and demolished home when I could and now live in a Mobil home on property.. I get the same RUN AROUND when I contact RESTORE and was even told that my mortgage company and another one she named were not given out the letters., Well if RESTORE knows this why haven't they amended their PROCESS.. Not sure how my award went from 65k to 45k but at this point I'd take ANYTHING.. I was approved for an SBA LOAN but Declined it and RESTORE has those documents.. All the Duplication Of Benefits fiasco which Did NOT apply to me seems to have left me and my situation out. I contacted Channel 9 reporter in 2018 and that only got me a Cold response from RESTORE case WORKER telling me that my case was red flaged because I contacted the young lady from channel 9.. I WANT answers as to why this process has been mired down in such RED tape.. If you can help I'll be glad to send case information but PLEASE for my SANITY ONLY ASK FOR IT IF YOU CAN GET MY AWARD FROM RESTORE..BECAUSE I CAN'T TAKE ANOTHER LET DOWN.. THANK YOU FOR YOUR TIME.. ( All caps is not shouting it's just anger and disappointment in yet another Gov let down )

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** We were told by taking out the SBA loan would be the best thing in getting our home back to living conditions. We were so at a loss on how we were going to pay for reconstruction we didn't see any other way. We took the minimum amount hoping it would be enough. Being we did the work ourselves. Well it wasn't enough house still not complete but we are now paying back on a loan we can't afford to complete the house! This is so discouraging when money was clearly sent to Louisiana to help rebuild and government 's miscommunication, misinformation with home owners in distress are taken advantage of! The money is there to help rebuild then it should be used for that purpose! Making more

red tape than Necessary is spending more money and time where someone other than home owners is getting paid. Such a disgrace.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** My family and I lost everything in the 2016 floods. We were forced to take out an SBA loan. We still have unmet needs 3 years later. If I receive reimbursement I should not have to pay it towards SBA loan. I would like to finish home repairs. The amount that I am eligible for will not be nearly enough to pay off the loan. Please hear my family & so many other cry for help. Give us a chance to use reimbursement money to repair our homes.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** My government has failed me and my family. I served my country in the United States Navy. I work very hard to support my family and pay my share of taxes. This disaster destroyed my home for which I carried no flood insurance because FEMA told me that I was not in a flood zone. I was forced to accept a portion of the SBA loan offered to me because that was my only means to rebuild. Then Restore came in to offer grants for people like me to assist. I've watched my tax money go to foreign countries for aid as well as the less fortunate in our own United States and understood. But I was denied grant money because I accepted a loan that was the only avenue to repair my home. At this time a spread sheet was provided for me outlining exactly the numbers used to calculate the denial. Had it not been for the SBA, we would have received approximated \$33k which would be a fair amount to help our recovery. My family was living at my brother's house, my kids slept on couches. Congressman Graves fought to get this injustice corrected and won. Now we had hope... but not for long. My government, specifically HUD came out with guidance to *re-calculate* the reimbursements. This is unethical and unfair. I watch my country give billions of my tax money to other countries, but shouldn't we be taking care of the ones who paid first. I watched just yesterday, out congress spend millions for the Robert Muller spectacle. This money was spent by our government for political gain, It helped no one.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120

percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. If the amount of SBA loan that you drew is below your estimated Cost of Repair, you may still be eligible for additional assistance from Restore.

**PUBLIC COMMENT** I think it's a sad day in and a horrible thing when our lives went down with the flood. When we lost everything we ever owned. After three years they say the duplication of benefits is fixed. I disagree. do they think we have everything we need now? Did they think that we didn't spend every penny we had out of our pockets trying to start over? Do they care that we're still struggling? No, instead they're going to tease us and say they're sending this money when they are actually going to make it payable to SBA and pay themselves. We are going to get nothing. we are not going to be able to replace savings accounts and paycheck-to-paycheck trying to pay for things. The people they showed off on the news that got theirs, got it free and clear. That's what grant money is. I am sickened by this whole thing.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** We are a retired couple living on a fixed income, We used Femma Money and money we received from our truck insurance and help from family to repair our home. So now we have a car note that we didn't have before. It has been three years of waiting for some kind of help to pay the bills we have accumulated since this disaster. Thanks for listening.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** We was forced with a loan that we have to pay back monthly, so why didn't we get a check first instead of the people that didn't take the sba loan , we had to put out house up and lit like we

pay two mortgages. So you're not gonna cut the home owner a check at least hurry up and pay off the loan, my God people is dying and won't even see a penny because you're taking forever. Please hurry up. I'm prying everyday for some relief. Thanks

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** I have been seeking my assistance since the beginning. I meet every single qualification and the house is in shambles. Still. To this very day. This is the childhood home I grew up in. And I had just completely remodeled in order to raise my children here as well when it was destroyed by this flood. I had 38 inches of water INSIDE my home. I have all the before, during and after photos. My father passed away and left this house to me. He passed before my children were even born. This is the last bit of him I have left for them. No one ever came for an inspection, no one ever asked for my photos or anything at all. We do not live in a flood zone so there was no flood insurance, FEMA gave us some money but we didn't get housing or anything like that and we had to use that to live on and buy a new vehicle which we had to finance and before the flood everything we had was paid for. So we still have a lot of extra expense. Had to take out credit just to be able to have beds to sleep on and a table to sit at. I went back and forth and waited patiently. Followed the steps. We were denied for SBA even though we applied as we were instructed to. I am witnessing the fraud with my own eyes of people less affected receiving assistance that has them in an even better position than they were in before the flood. That is fraud. Meanwhile...We don't even have floors. We are living on our concrete slab. We have no doors, we just have some sheets. No walls. No full bathroom. This is the greatest travesty I've ever witnessed. Every day living like this is a nightmare all over again. We lost everything we ever owned. And almost lost our lives. When we left at 2 in the morning when we finally made it out we didn't even have shoes. We lost our family pet to a drowning. I have 2 children. My son, his birthday is August 16th... and in 2016, on that day, we couldn't get him any gifts. We couldn't have a party. What we did that day... is heartbreaking. On that day we were able to get back to our home, and so I then watched my son who was only 12 years old throw everything he had away. All of his room, clothes, personal items, he spent that day throwing all of that in the trash and ripping his walls down. That my father, his grandfather whom he'd never even met, had hand painted murals on before he passed away. My daughter has trauma to this day, she was only 6 years old. She is afraid of rainy weather now. And when it rains she will ask us if we can please put prized possessions into our attic so they do not flood. I've been at this same address the entire time... waiting. In the shambles of my once beautiful home. Same address, same phone number, same email address. Everything. And Restore claimed they sent contact to me and didn't have a reply so they rejected my application, and did not even inform me. And once I found out upon inquiring what my status was myself, which I did countless times throughout this ordeal, they told me of this rejection. So I made an immediate appeal. They then rejected my appeal stating I wasn't eligible to even file one. They never sent me a THING...Until the rejection of the appeal. They sent this to my same address, via certified mail that I had to sign for, and that I received. The ONE thing I actually EVER received from them. Fishy isn't it?? Now I'm still fighting them. When I can actually get a response out of them, and of course they tell me it's "too late now" for anything to be done. How convenient is that?! And I've asked for actual evidence and proof that they sent

me things and I've not been provided a single thing.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. RLHP guidelines have been available to the public since the inception of the program on the RLHP website <http://d2se92fabdh4cm.cloudfront.net/wp-content/uploads/2019/07/18071528/Restore-LA-Homeowner-Policies-and-Procedures-v7.0-7-16-191.pdf> . The guidelines note all pertinent deadlines of the program under section 11 (a). Since the inception of the program the requirement to accept your award within 30 days of award notification has not been enforced. Since the majority (78%) of the awards had been in their current status for more than 180 days and only nine months remaining of the three year contract to implement and conclude the Great Floods repair/restoration effort deadlines are required. After two previous extensions requested by the State and approved by HUD, the December 31<sup>st</sup> deadline you referenced was mandated federally by HUD in regard to reimbursement requirements as noted in Section 5 (c) of the guidelines. The deadline refers to construction work performed after application or after the HUD deadline cannot be reimbursed by RLHP. As noted the original HUD deadline for reimbursement changed after requests from the State from September 8, 2017 to September 8, 2018 with HUD granting a final extension to December 31, 2018. The State also removed the previous policy requirement that all construction activities must be completed prior to the issuance of the reimbursement award. You are welcome to submit a request for extension with the date you will have all required documentation for closing to your Construction Technical Advisor or Case Manager.

**PUBLIC COMMENT** Thank you all, for your time and effort, working diligently to get the funds to all disaster victims of the great state of Louisiana.

Mortgage assistance says details forthcoming. (what finally came out)

They only plan on assisting those that are still out of their homes, starting with the month of July 2019 forward, until they move back in there home. These funds should be made available to all who's homes were unlivable from day 1 of the disaster, until they were able to move back into their home. OCD is re writing the mortgage assistance to help only a select few. 40 million was put into this program and then another 171 million added. For all those that are back in their homes and waiting on reimbursement, you should add the mortgage assistance to their final grant award. If they were unable to live in their home from day 1 of the disaster until the time they moved back in their home.

If the wording is not changed, to include all disaster victims, then the money that is not going to be used, which would be called a surplus, needs to go back into the victims' flood recovery fund.

At one point it was said that there was enough money to pay off everyone's SBA loans and is now short millions of dollars. (it seems as though those that work and pay their taxes, are the ones being punished)  
HUD CDBG-DR Mortgage Assistance: ([as per HUDs guidance](#))

- No income limits.
- Up to \$3,000 per month
- Available the day Grantee Declares Disaster. (August 15, 2016)
- 90 days by default with extensions to 20 months.
- Maximum \$60,000 in additional grant funds

*OCD, of Louisiana, re writes the rules.*

*July 19, 2019 the state rewords the interim mortgage assistance to exclude more homeowners as a result they are assisting only Solution 2 Reconstruction (THIS IS NOT RIGHT, THIS IS WRONG TO ALL AFFECTED FLOOD VICTIMS) This comes from part of the \$171 million transferred and approved June 20, 2019.*

- Assistance limited to only 120% AMI and below.

- Up to Fair Market Rental Value per month. [https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019\\_code/2019state\\_summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019_code/2019state_summary.odn)
- Available only after your grant closing.
- Does not apply to ZERO grant awards.
- Does not apply to those without homeowners responsibility owed to the program. (Recapture)
- Assistance for length of time you were unable to inhabit your home after your grant closing. (THIS SHOULD BE FOR ALL NOT JUST FOR THOSE IN SOLUTION 2)
- Maximum amount of funds not to exceed your homeowners assistance or owners escrow amounts.
- Mortgage Assistance ends July 31, 2020 when all reconstruction and repair programs are terminated by order of the State of Louisiana OCD-DRU. Louisiana OCD-DRU rewrites HUD recommendations to service only a select few homeowners.

New York just received the same thing, and this is how their OCD-DRU has written its guidelines on the mortgage assistance program for their flood victims.

Under the State's existing Interim Mortgage Assistance (IMA) program, financial assistance is available to eligible applicants to the NY Rising Housing Recovery Program who demonstrate financial difficulty in paying their mortgage due to additional housing expenses incurred as a result of their primary residence no longer being habitable. Interim mortgage assistance may be provided for past, current, and future debt obligations of the mortgage, capped at \$3,000 per month for a maximum of 20 months or \$60,000.

Those that are a solution 2 homeowner were given a July 31 deadline to have all their paperwork in order, or they would lose funding from Restore. Any home owners who loose funding and those funds are no longer available to them, those extra funds now available, should go back into the victims flood recovery fund money and not counted as a surplus. Otherwise this money will be pulled out and used for other pet projects and not for it's intended purpose of helping flood victims recover.

FEMA funds counted as a duplication of benefits. If someone has used their FEMA funds for what it's intended purpose was, that amount should be credited toward their grant amount.

If the restore program was available one month after the flood, most flood victims would have not accepted an SBA loan. After applying for FEMA, there were no other options available to any of the flood victims. They were told from FEMA to apply for the SBA loans. Once you have applied, FEMA would release the grant money to you.

Those that moved forward and took out an SBA loan, because there were no other alternatives, should not be punished for taking out the loan. They also should not be capped for reimbursement as some had all their repairs finished, before the Restore Grant money was even an option.

Some stick built homes that were bulldozed, did not have the option for Restore to come and build them a brand new home, why? Because restore did not exist until May of 2017 when they initiated the survey phase of the program. Those flood victims that took out SBA loans, not because they wanted to, because they had to, in order to have a home again. It is not a benefit to have an SBA loan, when one already has a mortgage of a home they no longer even have, and had no flood insurance and live in a no flood zone, and they lost everything, house, automobiles, lawn equipment etc.. Having to start all over again. These people in this situation that moved forward before the Restore program started, should not be capped on what will be reimbursed. If someone took out an SBA loan for 125 thousand and you are only going to pay the capped amount of 65 thousand for a double wide mobile home, including set up and delivery, then how are they going to pay off an SBA loan. The remainder of the loan will still have to be paid at the same monthly payment they are making now, so it does not help their situation out, as far as paying a mortgage payment and an SBA loan. How to fix it. No cap put on those that completed repairs, or replaced, before the Restore program was available.

Hardships. Anyone who flooded is having a hardship. When you worked your whole life and lost everything you ever worked for, it is a hardship. Especially for those that did not have flood insurance.

Flood Insurance that is required of you to keep on your home because you have an SBA loan, should also get the help of Restore paying for 1 year of flood insurance. SBA requires you to have flood insurance for the duration of the loan, even though you are not listed in a flood zone. All should be assisted.

Furthermore, if the OCD would stop writing guidelines that enable the state of Louisiana to take money out of the flood victims' recovery, because they call it a surplus needs to stop. Leave the money in the flood victims recovery funds. How can you determine what is a surplus, when you still have not helped all your flood victims yet? **NO MORE DIVERTING FLOOD GRANT MONEY FOR FLOOD VICTIMS, INTO OTHER PROJECTS, UNLESS IT'S FOR THE PURPOSE OF HELPING FLOOD VICTIMS.**

We see people who live in mobile homes, getting brand new mobile homes, paid for. We see stick built homes being demolished and new homes being replaced paid for by restore. We even see some mobile home flood victims getting stick built homes built to replace their flood damaged mobile home, all paid for by restore. Those of us that needed a home to live in after the flood, and took out the sba loan, have not been treated the same. Some took out less of what was offered from SBA, because they couldn't pay a note any higher, so they took the least expensive way to replace or repair. Too bad Restore was not available a month after the flood hit, because most would have taken the option of building a new home, instead of replacing with a mobile home. The flood destroyed our stick build home, including it's foundation. We couldn't afford to build a new home with a high payment so we opted for the lesser amount of a double wide mobile home, even though we really couldn't afford a 30-year SBA loan at our age, we had to have a place to live. Sure, wish Restore would have been there sooner, because we would have let Restore build us a new home. We didn't have that opportunity to make that decision, Now, we are stuck with the doublewide mobile home, and a 30-year SBA loan, and a mortgage payment of a home that has been bulldozed, and auto loans, furniture loans and we will be 85 when this loan would be paid off. What a joke to all of us flood disaster victims, restore has turned into. After 3 years, we are still waiting for reimbursement. Do you think Restore might offer to build me a new home now, and pay the SBA loan off? since Restore wasn't available, at the time? Even though it would be the correct thing to do, to offer me the same choices offered to others, would be awesome. But for now, I will just pray for total SBA loan payoff. Should be FEMA first, then HUD, then SBA as a last resort.

Also, no public comment available on some of the APA guidelines. Public comment was not offered on all APA which is against the rules. OCD guideline writers doesn't want the public commenting, because HUD will see the Louisiana leaders robbing as much as they can from the fund, instead of helping out it's hard working, tax paying, citizens in a time of disaster. We all lost, poor, disabled, elderly, young and rich. Why should one group be treated differently from the next. Why do the tax payers have to be punished? Louisiana OCD has the opportunity to re write and fix it, so it helps all disaster victims out, from the poor, to the disabled and elderly, to your hard-working tax paying citizens. It's time to do the right thing for the people of Louisiana. The rules should apply to all and not change with an AMI. If you have to help one group out first then do so, but keep the rules the same, Don't change an amount to 50 % for those that have a higher AMI., because you are now short and can't figure out what happened to millions of dollars. 3 years has been long enough, it's time to get the money out to your flood victims ASAP!!!

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Interim Mortgage Assistance (IMA) was just approved for RLHP in APA 11. In this approval the IMA could only be applied from the approval of APA 11 going forward. The change requested in APA 12, if approved, will allow for IMA to be available for up to 20 months of assistance with a cap equal to the required Escrow/HOR retroactive to the date of the applicable 2016 flood event.**

**PUBLIC COMMENT** Dear HUD, Please force the state of Louisiana OCD-DRU to return the \$171 million identified in APA 11 to the Homeowners Assistance Program grant fund for Homeowners. It is clear the State OCD-DRU and Grantee for the 2016 floods did not follow it's own public statements made July 2018 and in Sept. 2018 that they would wait for the HUD Guidance to be published. The state made claims of having \$683 million that would cover every SBA loan. Today, now, the state says it doesn't have the money to cover all the SBA loans as it once said prior to Action Plan Amendment 11. I ask that you investigate the issue and find that the money needed to assist those in all income brackets regarding any issue has not been fully addressed and that the state acted prematurely in funding and forming additional programs before all LMI, unmet needs and urgent needs were addressed. "

Furthermore there needs to be an investigation.

Task Force was putting pressure on the state to move money from the homeowners program into state managed projects.

\$10 million to TWIG for showing the flow of water. TWIG asked for \$3.3 million per year for 3 years. The state took the money in Feb.

Adam Knapp from Baton Rouge Chamber of Commerce negotiated a 200 unit construction project that will be costing more than \$20 million of our recovery money.

The state funneled \$171 million of what it reported in July 2018 to be \$683 million. The state renewed contracts without public bid notice and increased it's spending for Administration of the program. Today it's near 35% of the \$1.7 billion goes to management of the program. (Not the repairs or reconstruction efforts.) In Oct. 2018 the politicians behind the SBA push announced the money was available and stated \$245.5 million. I still don't know where this came from since the state announced in July 2018 that it had \$683 million to use on SBA loans.

The totals needed are over \$306 million and currently looks as if we have a shortage of \$124 million.

The HUD Community Development Block Grant - Disaster Recovery (CDBG-DR) program needs to start immediately after a disaster. Like before FEMA, before SBA, before all of them in that sequence of delivery.

It would have been nice, those homeowners paying double rents, double mortgage payments, would have been offered mortgage assistance from day 1 of the disaster. If we were offered HUD grant funding from August 15, 2016 some would never have given up on Reconstruction with Elevation for those substantially damaged. Others would never have been penalized for not elevating high enough because that didn't take place until Dec. 2016.

So many issues would have been non existent if the sequence of delivery would have been "FEMA to HUD to SBA" on day one. This is a learning lesson for all involved. It would have prevented alot of problems and alleviated alot of headaches and helped people out in a faster manner instead of them getting their selves in a bind, trying to recover with SBA loans, which could have been prevented!!

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Louisiana's Office of Community Development – Disaster Recovery Unit RE: "duplication of benefits" Borrowing from United Way's "ALICE" data: "...Asset Limited, Income Constrained, Employed, is a new way of defining and understanding the struggles of households that earn

above the Federal Poverty Level, but not enough to afford a bare-bones household budget. For far too many families, the cost of living outpaces what they earn. These households struggle to manage even their most basic needs - housing, food, transportation, child care, health care, and necessary technology. When funds run short, cash-strapped households are forced to make impossible choices, such as deciding between quality child care or paying the rent, filling a prescription or fixing the car. These short-term decisions have long-term consequences not only for ALICE families, but for all of us. Despite the critical nature of many jobs to keep our local economies running – educating our youngest children, keeping our ailing parent safe – these workers often struggle to keep their own households from financial ruin. ALICE is your child care worker, the cashier at your supermarket, the gas attendant, the salesperson at your big box store, your waitress, a home health aide, an office clerk. ALICE cannot always pay the bills, has little or nothing in savings, and is forced to make tough choices such as deciding between quality child care or paying the rent. One unexpected car repair or medical bill can push these financially strapped families over the edge. The future success of our communities is directly tied to the financial stability of these fragile ALICE households." We cannot become more resilient, if we are to do so on a region, that by ALICE standards, is 50% likely to be 1-emergency from poverty/ruin. Certainly, a disaster qualifies; even the smaller storms have impact to interruption of income for individuals, families, and our region's economy. Based on the density of our Asset Limited, Income-Constrained population being so prevalent across economic regions, Louisiana (and the Federal government) should utilize the broadest context for allowing assistance for recovery, so as to have the highest likelihood for recovering our economies. Furthermore, a "loan" should never be considered a duplication of benefit, as it is a tool and not a gift; it is re-paid. If a community can utilize a loan for construction as its local match (US Department of Commerce's Economic Development Administration allows for USDA lending to a governing jurisdiction to serve as local match in that manner), then those funds are considered local, as local resources are used to replace the financing. Similarly, a loan, even if from the U.S. Small Business Administration or HUD recovery resources, should be considered non-duplication.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** Is there a program for those of us that bought and paid for our own living arrangements while our home was being repaired? Our home was paid for, had no flood insurance because we did not know we had been placed in a flood zone recently. We did not want Shelter at Home putting anything in our home that was going to need to be torn out because we were done tearing out our home. Actually Shelter at Home came along well after we were living in our camper in our gutted homes front yard.

The way we see it is that we purchased a travel trailer instead on waiting on FEMA to put us in a FEMA trailer saving the government at least one hundred thousand dollars. Therefore we are asking if we can be reimbursed the twenty thousand dollars we paid for our living arrangements? Restore originally told me they would reimburse us and now is saying it would have to be y'all. Restore has all of our documents relating to this purchase. Thank you for your consideration in this. Please advise me if I need to do anything further. I am looking forward to hearing from y'all

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Review of eligible living expenses can be achieved by contacting your case manager at the Restore Program.

#### **REIMBURSEMENT**

**PUBLIC COMMENT** Prorate the award for those over the low to moderate income level. If 10% of income over the limit than 10% of award us reduced to 50% imbursement and 90% of the award is at full reimbursement

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I would like to say the reimbursement eligibility is unfair and the process is flawed. We were lied to and told to apply for SBA to qualify for additional funding. Then, we were punished for doing so. As a victim, I have acquired many bills due to the flood, while others received lumpsums regardless of their income and not obeying instructions given to victims. Rules should apply to everyone. Income was not a factor for victims that did not apply for SBA and should not be a factor for victims that applied.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I would like to say the reimbursement eligibility is unfair and the process is flawed. We were lied to and told to apply for SBA to qualify for additional funding. Then, we were punished for doing so. As a victim, I have acquired many bills due to the flood, while others received lumpsums regardless of their income and not obeying instructions given to victims. Rules should apply to everyone. Income was not a factor for victims that did not apply for SBA and should not be a factor for victims that applied.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for

the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** With regards to duplication of benefits, I feel that the guidance for reimbursement shouldn't be subjected to paying down our SBA Loans. Some of us accumulated a lot of higher interest debt post flood trying to rebuild our homes while we waited on Restore to get up and running. I feel the checks should get dispersed to applicants for us to do what we want with it, whether that be pay down our SBA Loan, Credit Cards, other small Loans. It has been a struggle for a lot of us to live a normal life having to pay this SBA note every month, but I would gladly take anything at this point.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I think the H.U.D. guidance rules for reimbursements for damages to flood victims is ridiculous. Not only have we had to wait 3 years for this help...but now i have to prove that i have a hardship because of income level...What difference does it make what income level i have ? We all were flooded, and there is no duplication of benefits concerning the s.b.a.loan...IT IS A LOAN...I HAVE TO PAY IT BACK!!!!This is just cruelty in its worst form...i am sickened by the way our government state and federal have handled this flood recovery process...so sad what a person has to do to prove they are worthy of consideration by the powers that be....disgusted in watson

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

**PUBLIC COMMENT** Discrimination. All of us flooded, all of us had repair expenses regardless of income. Neighbors that did not take the SBA loan and used other means to repair were not penalized for income. Discrimination for being a working taxpayer that could qualify for a loan. We repaired and got back in our home while some required a FEMA home with an initial set up of approximately \$130,000 and remained in them for over a year costing the Government a lot more than Restore will ever reimburse.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households,

and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

#### DOB

**PUBLIC COMMENT** My mortgage company sent the check to the 1st contractor; he did partial work and half done job. So I applied for Restore LA to redo my home and was approved however they did not redo the floors so my floors are still messed up and need repairs. I feel not fair that I was taken advantage of by the 1st contractor who still tells me he will come fix the floors and still have not come to fix. Then restore la stated they can not fix it due to duplicate benefits.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.

#### SBA-DOB

**PUBLIC COMMENT** We are in our 60s Have Sba loan for 30 yrs. My husband has a handicap, so we're on fixed income and raising granddaughter. Our home was paid for so we didn't have mortgage. Hud PLEASE pay our sba loan off through restore. Desperate

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** (image copied below)

Why is there an income limit on the persons that have SBA loans?

Why must the SBA loan be paid off from the Restore La. grant?

What about the difference between the Restore La grant amount and the SBA LOAN payoff if the loan is paid off? Do persons having the loans get the difference?

All persons effected by the August 2016 flood should be treated equally and they are not being treated equally.

over  
See Back pg  
7/26/2019, 9:50 AM

It is taking too long to send Restore LA grants to persons with SBA loans.

The persons ~~not~~ having SBA loans, have no income, <sup>limits</sup> do not have to show a hardship and received their grants promptly.

What is unfair is persons that have SBA loans could have a \$200,000.00 - income and still get a Restore LA grant, yet for persons with SBA loans are penalized due to income limits. Plus the persons with no SBA loans can spend the grant as they want.

Persons with SBA loans are being forced to pay off the SBA loans.

I am almost 66 years old, on a fixed income and could use the Restore LA grant. I am having health issues and I am not sure how much longer I can work. The Restore LA grant would help me out very much, because I need to fix something on my house.

Please consider equal treatment to all August 2014 Flood victims.

Thank you!

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** I'm very appreciative of this gesture to repay the SBA Disaster Loan, it doesn't fix my overall concern. Before the disaster loan was approved and acquired, I lived in five different places while still paying my monthly mortgage of \$1,000 for almost a year along with paying hotels, friends, and finally leasing an apartment for six months. However, FEMA provided some financial assistance for the apartment. This has been the most financially devastating event of my life. SBA, deducted the amount that was given by FEMA from the loan adding it to my repayment total. So, FEMA monies was not a Grant. To prevent two separate loans, I financed my mortgage through SBA and accepted \$40,000 in contents to have one monthly SBA payment. I accumulated so much debt by maximizing credit cards and opening up lines of credit at other financial institutions that I will be in debt for the next 10 years.

SBA policy states that my monthly payment amount will not change with the disaster loan payoff; so you can see why I'm frustrated, not angry. I still have no relief in getting control of my other financial obligations. My financial burden doesn't end with the repaying of the disaster loan; there is so much more to be taken into consideration. I'm very grateful to all of you who have fought to have this DOB fixed and I know it will work out in the end, but hastily. I'm sorry if my words are choppy, but I wrestled with make a comment. May GOD continue to bless all who had a part of this fix.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT:** Did I understand correctly Congressman Graves stated that SBA loans are to be forgiven?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** I don't know why the people that got SBA loans are being penalized!! We were doing ok after my husband retired from the Baton Rouge Fire Dept but since the flood it had been very stressful!! We didn't have a mortgage, auto loans! Our camper was paid for and now we have all the above! We had

to get a camper because we tried to get a Fema trailer but didn't qualify and i found out 6 weeks later i had colon cancer so we had to have something to live in because all my family flooded! life has been hard since the flood! Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner progThe hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.**

**PUBLIC COMMENT** I drew down a loan from SBA for contents only. The money could only be used for the replacement of contents(furniture, clothing, etc) not for repairs. RestoreLA money is for the repair or reimbursement of repair cost. My question is why is my SBA loan for contents being used against me now. My denial letter for RestoreLA grant did not include this amount. Now that the issue has been "fixed" they want to use it against me. I paid my home off 10 days before the flood hit and was mortgage-free. Now I'm well over 90,000 in debt with collection agencies constantly harassing me. My family and I have lost all faith in this process and don't count on them to come through. The government's willingness to drag it's feet in this process has resulted in even more suffering.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.**

**PUBLIC COMMENT** The question I want answered is; Did the people affected by the flood that did not apply for a SBA loan and were above the %120 AMI have to prove a hardship to recurve LaRestore dollars. If they did not then how is it right that the HUD is requiring that if those of us that were encouraged to get an SBA loan.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** My father is also in the duplication of benefits continuous circle. He is 87 y/o now at the time of the flood he was 84 - Owned his own home, worked everyday of his life and is a Korean vet. His home was completely destroyed in the flood. At least 4-5 inches of water sat in his house for four days - it was beyond repair. Because he was completely heartbroken and wanted to get back to some sort of normalcy we took the SBA loan and demolished his house a purchased a used mobile home not new USED to try and save money. And now because he didn't sit in his butt and wait for some body to build him s

new house, he is being penalized. This is by FAR a free loan. My father has not had a house not in over 40 years but he has one now and yes the interest is lower but he is on a fixed income paying prices for medicine (heart meds) that is through the roof! We have heard of an instance where a family's mother was just built a brand new home by Restore and she has been in a nursing home since the flood and will never live in it!! Her kids plan on selling it to the highest bidder - where is the justice in that?? While my father is in a used trailer paying a note he never had before and they are saying he can't be reimbursed because a duplication of benefits? The people of Louisiana deserve to be treated so much better it makes me extremely sad. If there is some way I could be notified or put on a list to stay up to date with this - I would greatly appreciate it . I didn't not know about this meeting or I would have been there. Any help would be greatly appreciated.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** With drawn down amount from SBA loan, would we be able finish our house and pay our debt off instead of paying SBA loan?

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place. The requirement to issue a joint check is part of HUD's guidelines with respect to the recalculation of SBA duplication of benefits and reimbursement of SBA funds drawn once APA 12 is approved by HUD.**

**PUBLIC COMMENT** What we don't understand is that we were told a year ago, "if you got an SBA loan and we're docked \$\$ due to DOB, we'd be receiving that \$\$." We want to know why this isn't happening. After we have exhausted all resources, gone in debt, tapped into retirement, there are things we still can't finish. And yes, we both work. Just would like answers to this please.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which**

**were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** Please let those of us who took out loans, receive help. Even if the loans are paid back to the federal government with these funds. It is so difficult losing everything, only to see others receive this grant money. We were told to apply for SBA and did so because we were good citizens trying to get back on our feet. Good, tax-paying citizens. What does it matter that families make above AMI when they had to drain their savings, retirement, or kids college funds just to get their homes livable again. I am in that category and had to use so much of our savings because we wanted to do the responsible thing and not go terribly into debt. And here we are, possibly could have received grant money had we never applied for the SBA loan. It's a terrible and sad day when honest, tax-paying citizens cannot receive help when they actually need it.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** A RESTORE LA press release on July 5, 2019 indicates that grant awards were adjusted and checks were to be issued to about 1,030 homeowners on July 8. This is close to the total number on page 16 of the APA of 1,168 (SBA Zero Draw Population). So, RESTORE must have issued 100% 'fix' for at least most of the 798 (>120% AMI). I am one of the 7 (SBA Partial Draw/>120% AMI) listed on page 17. Why a month later do I not have my award adjustment and check for the DECLINED portion of the SBA loan amount offered? This is a discriminatory practice to withhold from me funds that have already been declared NOT a duplication of benefits.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.

**PUBLIC COMMENT** As a affected citizen of East Baton Rouge, falling within the Major-High category as stated, to know that funds are to be determined based on our financial status three years after the 2016 flood is an absolute outrage. In August of 2016, a SBA Loan was our last resort. After purchasing our first home in February of 2016, spending every cent of our savings to make our home suitable for our new arrival in June of 2016, we were forced from our home after flooding. My husband, just a week before the flood was laid off and I, currently my on maternity leave, were left homeless, with no income and a two

month old infant. We had nowhere to turn except for my brother's home, which was also housing two other affected families, including my parents from Denham Springs. To inconvenience my brother's family-of-four, for years in order to avoid going forward with the SBA Loan, was not an option. Here we are, three years later, after all the hard work to recover from an unfortunate situation thrust upon us in 2016, left with a second mortgage we will be forced to pay back regardless, due to the fact that we are hard working individuals determined to do what is necessary for our child. Because we are currently in good standing, others will receive grant money, paying off their loans, and we will be left to pay the entire sum and interest based on our current extent rather than our standing in which the loan was applied for. Had this money been provided to us, as it should've been years ago, we would've had no issue falling within "hardship" parameters. After being denied originally, only because the SBA Loan was acquired. Am I to understand, this system is to leave the hardworking tax payers with an additional burden but provide a full amount to those who did not take the loan? Are we to be denied because we would not leave our child homeless for years, until we could afford to repair our home on our own? Where are we to be, if denied and my husband working in the construction field, is to lose his job again leaving our household income well below the 120 percent AMI?

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** The SBA loan should have never been considered a duplication of benefits. It is a loan which must be paid back. With the guidelines listed in the action plan, it is obvious that the SBA DOB fit is not a fix at all. For the people who borrowed all or part of the approved SBA loan, nothing is fixed yet! The AMI% guidelines are ridiculous. They are unfair and do not follow the current law. The people who have an AMI% over 120 should not be required to qualify for a hardship and have their grant award amount cut in half. If the AMI % is being used, to determine which population group each applicant falls in, the AMI calculations must be corrected first. Remember, the income and AMI were not relevant factors before the new HUD guidelines came out. Therefore, exact incomes were never asked / verified for applicants that were above low to moderate income. Most of the AMI calculations are currently wrong. They must be corrected before you will know which applicants are over 80% and which ones are over 120%. The action plan states that anyone over 120% must be approved for a hardship and will only receive half of the grant amount. That is a lot at stake to be based on incorrect AMI information. Corrections should be made BEFORE you separate people into the three population groups.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households,**

**and is not due to the reallocation of funds. The current budget for the homeowner program is adequate to cover all SBA loan amounts. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once APA 12 is approved by HUD.**

**PUBLIC COMMENT** Why all persons effected by the August 2016 flood not treated the same? Persons that did not have an SBA loan did not have an income limit, nor had to show hardship. What about the difference in the amount of Restore La grant and the amount owed on their SBA loan? Will these persons get the difference? All persons effected by the August flood should be treated equal. Persons with SBA loans should not be discriminated against. I am almost years old and on a limited income. I pay extra on my SBA loan each month. Why is there an income limit for the persons that have SBA loans? Why does the SBA loan have to be paid off out of the Restore La grant? What about the difference in the grant amount and the SBA loan payoff if the loan has to be paid off? Do we get the difference? Why are all the August 2016 flood treated the same? I am almost 66 years old, on a fixed income and could really use the grant. I have some things that need to be fixed on my house.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Prior to the 2016 flood, I was a full time student pursuing a college degree and was forced to sit out two semesters after the flood because I could not afford to rebuild my home and pay tuition. I am unable to complete my degree as I am paying back an SBA loan.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I have not heard from any of my ever-changing Restore LA caseworkers regarding my status as a ZERO Grant awardee. I have visited Restore LA offices and keep being told to hold on and wait. I've received emails from Restore LA telling me to do nothing and also wait. In the meantime, I wonder if I am missing out by not being the squeaky-wheel and just passively waiting. So here are a few of my comments before the August 5th, 2019 deadline for comments: Folks with much higher AMIs (300% and above) did not have to apply for the SBA loan as they could pull from savings, etc... and when the \$1.6 billion Restore LA assistance became available, they qualified for tens of thousands of relief. Others like myself with AMIs in the 80 - 130%, did not have enough savings to begin rebuilding and when told by FEMA to apply for SBA loans, did just that. and when Restore LA funds became available... were told that SBA loans were DOB and were denied any assistance (received ZERO grant awards!). So the folks that didn't need to take out loans got additional assistance from Restore LA, and the folks that needed to take out the SBA loan, were denied additional assistance. No grant assistance from Restore LA, and now having

an additional note (lien) on the house as well. That is really adding major insult to injury for our group of Denied by Restore LA due to having to take out an SBA loan. Oh, to have been rich during the devastating 2016 floods! I don't want to sound petty, but it seems quite unfair that the state would increase assistance to those that already qualified for Restore LA assistance from 50% up to 100% BEFORE taking care of those of us that were waiting for legislation on SBA DOB (aka ZERO grant awardees). Please make it right for many of us that were severely impacted by the 2016 floods and then denied Restore LA assistance due to the SBA DOB issue. Thank you!

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** We are 2 teachers with 5 kids and did not have a huge savings when flood hit / we had to get our kids back to normal quickly and sba was at the time the only way to get that done - we had no idea 2 teachers income in Lafayette with 5 boys and a family of 7 was above the 120 Ami! We had to get our family back to normal and the kids safe and settled back to school and stuff

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** Due to not hearing from Restore where I am suppose to get assistance or the approval from President Trump that approved our Flood assistance. Duplicate of benefits and SBA loans were not yet presented to me due to you not responding and seem to be you are holding back what I deserve. I'm single and lived at my house by myself and due to my disability and my yearly income which is \$12,000. My AMI is 53.67% and I was 62 years of age during the flood and now I'm at age 65 years old. I retired in 2012 due to my disability. Please help me financially with the SBA loan to help me live normal. Right now with the 1st and 2nd mortgage I'm going through financial hardships I am praying day and night for this matter to get better since I don't have a husband or any other way to get extra income to take care all my personal responsibilities. I have the burden of housing cost, burden of SBA loan, and due to may current age now is a hardship too. Also due to my fibromyalgia, sarcoidosis, allergies, high cholesterol due to me not ever being a smoker or liquid drinker or drug person messed with my life where I had to retire. I would love to have the Restore Grant funds I'm eligible for to be applied to my SBA loan.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which**

were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I think the current guidelines are TOTALLY unfair and wrong. This is a grant to help I recovery. I took an SBA loan because I had no other option to help me rebuild my home. The loan has place an undue hardship on my finances. Now I'm being told my income will count against me. How is this fair and balanced. Every qualifying household should be awarded the monies that was withheld from them. If we had known this information most of us would have NEVER taken an SBA loan to start with. No matter how desperate we were.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** My household is in a unique situation compared to most that suffered during the flood of August 2016. We purchased our current home two weeks before the flood and had our "old" house on the market for one week. BOTH of our houses flooded in August 2016. Like most, FEMA directed us to SBA for a loan to repair our "new" home. SBA approved and gave us a loan of \$143,000 to repair our home but only if we gave them BOTH houses as collateral. Despite telling them the "old" house would be sold as soon as it was repaired, they insisted. Desperate to begin our repairs, we took the loan not realizing the consequences we would later face in regards to Restore LA funds. Our "old" home sold in April of 2017. Because we only owed \$30,000 on that home, SBA FORCED us to pay them back the ENTIRE loan to them using the equity in the "old" home. Our SBA loan has been paid in full since April 2017. Restore LA came to our home in August 2017 to complete the Restore LA required inspection. In October 2017 we received a letter of declination due to the SBA loan being considering DOB. I appealed the decision and gave them proof that the loan was paid in full only to receive a second letter of declination. We were so relieved in 2018 when the law was changed to remove DOB. Now we are faced with the possibility of only getting partial funds because we took an SBA loan. People who did NOT apply for SBA loans are being paid the entire grant award regardless of income. Our household drained every ounce of funds available to repair our home and JUST completed those repairs in June 2019 because we could not afford to hire a contractor to assist. During this entire ordeal, we have paid our mortgage, even while our home was not habitable, in addition to college tuition for my daughter. For the first 9 months following the flood, we had TWO mortgages to deal with AND the SBA loan, in addition to college tuition. To now be penalized because we are hard working people feels like a slap in the face. If I had not applied for an SBA at all, Restore LA would've already paid me a grant of \$95,000. That is a ton of money no matter what income level a person falls in. To be penalized for a strong work ethic and the desire to have a good life is hard to swallow. Income should not be taken in to consideration when calculating grant rewards. EVERYONE

suffered during the flood. It has been a complete nightmare for most of us and it continues to be due to red take and "income". Because my loan was forced to be paid in full by SBA, I don't feel like I should be in a DOB situation at all and should've been paid in 2017. I asked SBA to keep the funds and they refused. They did not give us a choice. In doing so, we were forced to use ALL of our savings to complete our repairs and spend THREE LONG YEARS of weekends and holidays working on our home. We have sacrificed a ton in the last three years. Please make it right for the people of Louisiana. Enough is enough.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program is adequate to cover all SBA loan amounts. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** It was assessed that to restore my home would cost nearly \$40,000. restore my home I went into debt taking half of the full \$50,000 to SBA offered, I took SBA loan for \$25,000., as of yet I have not been given any restore funds, but I still have to make monthly pymts . while some have received checks, or Restore is funding the restore of properties. I'm a 64 year old tax payer, retired, so if the fund is intend to help, why am I left with debt. I feel I could use money from restore to clear up what I owe to SBA

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** I took out sba loan for double wide 50 plus loads of dirt paid for extra piers and lifted to prevent flooding. I received very lil fema and very lil restore due to Dob. I have 30 yr. loan and we in 60,s will be in 90,s when paid off. Please help restore .

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.**

**PUBLIC COMMENT** I received the SBA loan. If and when I receive funds from the program will those be applied to repayment of the SBA loan? I would prefer this method of receiving funds.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The requirement to issue a joint check is part of HUD's guidelines with respect to the recalculation of SBA duplication of benefits and reimbursement of SBA funds drawn once APA 12 is**

**approved by HUD.**

**PUBLIC COMMENT** I am submitting my comments regarding duplication of benefits in the flood of 2016. First I am appreciative of the Restore Program. I have seen it assist many people including my elderly mom, her best friend and my brother. When the flood came we had family of 4. Our two sons were still living with us. We did not have flood insurance because we were not in a flood zone. We have lived in this house since 1995 without even a hint of flooding. At that point we owed \$70000 on our home. We had a plan to pay it off before we retired. Because of the flood, we had to take our an SBA loan which is a 2nd mortgage of \$220,000. This money was used to repair our home. My husband was working in Atlanta so we hired a contractor. We were very happy with the contractor and we are thankful to be back in our home. However now we face owing \$290,000 on our home at the age of 59. Because of this, we strongly advocate the allowance of duplication of benefits so that we can receive money from Restore to pay off our mortgages at the age of 59. Again, thank you. We are thankful for the assistance.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I am a Sheriff's Deputy in Livingston Parish. When it became obvious that my home would be flooded, I had a 2 hour window of time to either save personal property by moving it upstairs in my 2 story home or evacuate my neighborhood. I chose to save lives rather than my home and it's contents, a decision that I will never regret. Given the same choice in similar circumstances, I'd do it again. In the months following the flood, I had to liquidate my savings to repair my home. Once those funds were depleted, I chose to take advantage of the SBA loan, even though I could have gotten a loan with similar terms from a local bank. I am now told that my income is too high and I am excluded from the grant process. I followed the recommendations of people in federal agencies when I submitted my application to SBA not knowing of the potential consequences. My wife has quit her job to care for aging parents and a brother with cancer. I will gladly "pay off" my SBA loan if it will open the door to a Restore La Grant.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

**PUBLIC COMMENT** I humbly pray the DOB be a fair fix. Suggest restore pay the unpaid balance for SBA loan. In God timing.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were drawn for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary

**before any reimbursement can take place. The requirement to issue a joint check is part of HUD's guidelines with respect to the recalculation of SBA duplication of benefits and reimbursement of SBA funds drawn once APA 12 is approved by HUD.**

**PUBLIC COMMENT** In 2016, we flooded. We do not live in a flood zone; therefore, we did not have flood insurance. We applied for SBA loan. We were allowed \$75,000 but chose to take only \$35,000 and took the rest from our IRA and due to medical expenses, job loss and 2016 flood no longer have than IRA. We don't fall under didn't take the SBA although it was subtracted from our settlement from Restore, La. Since we took money from our IRA our income appears higher than it actually was in 2016. Due to our age, our income is now even lower. Husband on disability and I am on social security. We are trying to remortgage our home to pay off medical bills and remaining credit card bills from flood. I feel that because we are middle class and had to take some of the SBA we are being penalized. The ones that didn't take SBA obvious had other income. Since we live in a 4 bedroom home, the home we lived in when our children were young, we were categorized only as 2 bedrooms and weren't given any grant money for the other 2 rooms nor our garage. I feel welcome to America where the poor get everything free and the rich get richer and middle class get screwed.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The hardship criteria proposed in APA 12 have been written to take into account all feedback received and Applicants are encouraged to request, once HUD approves APA 12, an exception based on one or more of the criteria as may apply to their circumstances.

#### **BUDGET**

**PUBLIC COMMENT** Dear HUD, From July 2018 budget of \$683 million to Oct 2018 budget of \$245.5 million. There was a decrease in funds, in Oct. 2018, to \$245.5 million. Where did this money go? Even after removing the funds for Comite project, there is \$427 million left, however the Oct. 2018 budget shows there is \$128 million unaccounted for, according to the State of Louisiana public press releases. Will anyone make this state accountable for the missing dollars?

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.

**PUBLIC COMMENT** Solution 3 100% Reimbursement program was closed Dec. 31, 2018 which means they wouldn't have known the full amounts of actual distributed money. Keeping the budgets talked about in the Management meeting Oct. 10, 2018 and closing the Governors Reimbursement programs there is a shortage of funds once promised in July 2018 in the amount of \$128 million. To reduce further issues the state now is blaming HUD's 55% goes to LMI as the excuse the program is short by \$124 to \$128 million, according to the state's pipeline reports of 2019. The need for > 120% is \$129,074,719 The Budget for > 120% is now cut in half to fit at \$64,537,360. The numbers reference come from the \$309 million the Congressman asked for in July 2018. Taking the \$309 million and apply the \$5 million from APA 10 and

the \$171 million from APA 11 there is roughly \$133 million which is close enough to say it's the \$129,074,719 that was budgeted. With basic data factored in, the state had budgeted for 100% of the SBA loans to be paid off, however they 100% forgot that a balance between LMI and >120% was not factored into the budget the full year of 2018. That is the same year the State OCD-DRU began dropping LMI households for any possible reason but not with SBA interests in mind, no way, it was Comite, Watershed, Economic Development, and Infrastructure. It is documented that the Director of OCD, Patrick Forbes, in Dec. 2017 was asked if he felt the Stafford Act Amendment by Graves would have any help to SBA loans. His reply was "No", from that moment on every politician and task force member was looking for and using their words, "Creative ways" to use HUD CDBG-DR funds for other projects. The 18 months of researching and following this program proves that budget and management issues were not followed correctly.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** Is it possible to end the programs for hurricanes Katrina, Rita, Gustav, Ike and Isaac officially and allocate the undistributed funds to the 2016 floods Homeowners Assistance program directly assisting homeowners financially?

New programs approved by HUD such as the Cost Share payment program for homeowners elevating could be a great benefit to the Great Floods of 2016 programs. More funds to homeowners would allow more assistance and greater assistance. From cost share programs with FEMA HMGP and FMA to soft second mortgages for those in need of assistance managing their recapture payment. The hardest hit in any disaster recovery is those that have no means of financially surviving the disaster. Since the hurricanes I have listed no longer assist homeowners directly wouldn't it be logical to move the money assigned to those programs to the most active program and most current program to assist more homeowners? Having 25% of FEMA costs paid by HUD CDBG-DR grants would impact more homeowners after the 2016 floods waiting for elevation grants than any past storms.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval.**

**PUBLIC COMMENT** From July 2018 budget of \$683 million to Oct 2018 budget of \$245.5 million. There was a decrease in funds, in Oct. 2018, to \$245.5 million. Where did this money go? Even after removing the funds for Comite project, there is \$427 million left, however the Oct. 2018 budget shows there is \$128 million unaccounted for, according to the State of Louisiana public press releases. Will anyone make this state accountable for the missing dollars?

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**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** In 6 days, the state will terminate grants allocated to homeowners of all income ranges, however those homeowners aren't able to come up with the recapture amounts the state is asking for. Instead of helping homeowners budget and save over the next 2 years they are simply terminating their grants. The unallocated grants then become property of the state and are not used in the same program to which they were first allocated. This means more to Watershed, Infrastructure, Economic Development and more Louisianans homeless. This is a massive budgeting mistake on the part of the state of Louisiana and they are covering it up by blaming the homeowners, which in this case are mostly all Low to Moderate Income. There is more than 1 year for the SBA Loans to the > 120% but less than one week for 1,565 homeowners that could be part of \$58 million in repair money.

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**PUBLIC COMMENT** APA 12 Page 2: "This APA 12 is considered substantial per guidance issued in 84 FR 28836. However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments. This APA 12 does not propose additional applicants as a result of the DRRRA. Regarding the programs referenced expected to be impacted by the DRRRA, all intake periods have closed and will not be extended as a result of the DRRRA."

- "However, APA 12 proposes no programmatic budget changes nor does it propose new eligible activities within programs established in previous action plan amendments."

Note: APA 12 in it's current form shows no program budget changes which is true, but, because it shows no program budget changes the current program is not funded enough to cover all the eligible applicants. This is evident in APA 12 on page 18 "LMI Phase II Adjustments (>120% LMI)"

"...APA 12 proposes disbursing funds to populations with incomes in excess of 120% AMI using a multiplier of 0.50"

The 50% reimbursement instead of 100% reimbursement appears to be related to an over spending in the Solution 3 Reimbursements program when it changed from 50% to 100% July 2018 under Governor Edwards request. The Task Force questioned the state about SBA DOB funding and the state assured the task force that all SBA DOB will be covered. The task force voted unanimously for the Solution 3 Reimbursements increase from 50% to 100%.

The program was correct, it did have the budget balanced up and to APA 10 for \$5 million and APA 11 for \$171 million. Taking the figures provided by the states policy makers in APA 12, it is clear that the state of Louisiana required \$129,074,719 at a minimum to cover all income groups under the SBA DOB changes in both Public Law 115-123 and 115-254. To balance the budget, the state reduced SBA DOB offerings that impacted a single income group, the >120% AMI households which is shown in APA 12 on page 18. The state did not restrict Solution 3 Reimbursement homeowners to a multiplier of 0.50 as it is doing in APA 12. This type of housing discrimination has been addressed in other storms and other programs when one group or class of citizen is given a higher award amount based income or geographical location. In this case it appears the discriminating factor is those accepting a federal disaster loan from SBA compared to those that accepted traditional lenders and bank loans in Solution 3 Reimbursements program which closed Dec. 31, 2018

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**PUBLIC COMMENT** Is it possible to end the programs for hurricanes Katrina, Rita, Gustav, Ike and Isaac officially and allocate the undistributed funds to the 2016 floods Homeowners Assistance program directly assisting homeowners financially?

New programs approved by HUD such as the Cost Share payment program for homeowners elevating could be a great benefit to the Great Floods of 2016 programs. More funds to homeowners would allow

more assistance and greater assistance. From cost share programs with FEMA HMGP and FMA to soft second mortgages for those in need of assistance managing their recapture payment. The hardest hit in any disaster recovery is those that have no means of financially surviving the disaster. Since the hurricanes I have listed no longer assist homeowners directly wouldn't it be logical to move the money assigned to those programs to the most active program and most current program to assist more homeowners? Having 25% of FEMA costs paid by HUD CDBG-DR grants would impact more homeowners after the 2016 floods waiting for elevation grants than any past storms.

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## **DEADLINES**

**PUBLIC COMMENT** Grant Closing Deadline July 31, 2019 State of Louisiana OCD-DRU sent out a RLHAP email asking select applicants awarded grants but have not closed on the grant award a survey to complete in June 2019. June 12, 2019 a policy notice to select grant recipients was emailed notifying the applicant of a July 31, 2019 deadline. I believe an estimated 1,565 homeowners granted nearly \$58 million were put on notice by the state of Louisiana OCD-DRU. *The email notice dated June 12, 2019 read as follows:* "Dear Homeowner, You are receiving this notification because you have not closed on your grant award offered by Restore Louisiana. Please note that you MUST execute your grant agreement by Wednesday, July 31, 2019 or the grant offered will be rescinded and you will no longer be able to participate in the Restore Louisiana Homeowner Assistance Program. Please reach out to your assigned Case Manager as soon as possible to schedule your closing: Case Manager Name: Name/Case Manager Email: case manager restore-la.org/ Case Manager Phone: 225-555-xxxx/ Sincerely, The Restore Louisiana Homeowner Assistance Program " *End Email Notice June 12, 2019* No additional information was offered in this email Applicants were not aware nor were they informed of any right to appeal or how to request additional time. When OCD-DRU Director Patrick Forbes was asked why homeowners were not given more information on asking for an exceptions board review he stated that all case managers were made aware of the process to request additional time. Homeowners found no information like this was offered in writing or by case managers. This notice caused panic among homeowners still working on satisfying recapture amounts and other requirements the grantee has put in place over the last couple of years in several versions of documents and action plans. Many of these homeowners are LMI households and many of them come from condemned and substantially damaged homes. These homes uninhabitable or demolished will never be rebuilt or repaired for the original families. These families will be forever homeless especially those below 50% AMI that were sons and daughters of parents that saved their money and paid off the home so their children would not be homeless. In a day, they lost their home to floods. With a 45 day notice they lost their dreams of returning home. In APA 12 the state of Louisiana identifies a group of grant recipients that have not closed on their grant awards. The state made no public statement about the July 31, 2019 grant closing deadline that was clear and without doubt not related to hundreds of homeowners. Even on the states official Restore.LA.Gov website the bottom line: "This deadline may not apply if you have SBA DOB. Please reach out to your assigned case manager for any questions." This was ambiguous to hundreds of homeowners that called and emailed case managers. Those that received the letter from June about the deadline of July 31, 2019 recieved information from case managers that they could not ask for additioanl time while others were simply told it doesn't apply. This type of communications has happened often in the program and without policy published in a scheduled and with advanced notice and given reasonable time for homeowners to comply with the new policy many simply feel the state has all the control over their grants awards and they can't say or do anything to secure their recovery. The deadline for new applicants announced July 13, 2018 during the task force meeting was Dec. 31, 2018. I ask HUD to instruct the OCD-DRU to reinstate the households who had the July 31, 2019 deadline to close on their grants and give all the homeowners in this group 180 days to make financial arrangements or construction arrangements for them homes.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. RLHP guidelines have been available to the public since the inception of the program on the RLHP website <http://d2se92fabdh4cm.cloudfront.net/wp-content/uploads/2019/07/18071528/Restore-LA-Homeowner-Policies-and-Procedures-v7.0-7-16-191.pdf> . The guidelines note all pertinent deadlines of the program under section 11 (a). Since the inception of the program the requirement to accept your award within 30 days of award notification has not been enforced. Since the majority (78%) of the awards had been in their current status for more than 180 days and only nine months remaining of the three year contract to implement and conclude the Great Floods repair/restoration effort deadlines are required. After two previous extensions requested by the State and approved by HUD, the December 31<sup>st</sup> deadline you referenced was mandated federally by HUD in regard to reimbursement requirements as noted in Section 5 (c) of the guidelines. The deadline refers to construction work performed after application or after the HUD deadline cannot be reimbursed by RLHP. As noted the original HUD deadline for reimbursement changed after requests from the State from September 8, 2017 to September 8, 2018 with HUD granting a final extension to December 31, 2018. The State also removed the previous policy requirement that all construction activities must be completed prior to the issuance of the reimbursement award. You are welcome to submit a request for extension with the date you will have all required documentation for closing to your Construction Technical Advisor or Case Manager.

#### **MANAGEMENT**

**PUBLIC COMMENT** I have contacted Restore to get my new caseworker. I asked if I should make an appointment to go over some items that are incorrect and she said NO. I had to wait for HUD to give them guidelines. I sent an appeal after the original time and was denied. They still have not corrected my records. WHY are we paying these people when they refuse to help us.

**OCD RESPONSE** Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Applicants whose income has changed since initially submitted to the program or who question their AMI percentage should provide updated income verification documentation prior to the Program recalculating their SBA duplication of benefits once APA 12 is approved by HUD.

**PUBLIC COMMENT** As a Aug. 16, 2016 flood victim I have concerns as to why Restore La. program is taking years to disburse grant awards. Have concerns the program was mismanaged and unprofessional with no answers from paid workers. supervisors & inspectors. Why were people paid to inspect 7000 or more homes which did not qualify due to Duplication of Benefits? I am concerned that with all the mishandling of the program and no answers or accountability that the program will be allowed to end leaving thousands of flood victims with no award and others given 50% reimbursement which was later given a second grant award for 100% reimbursement. A loan is the only option I had to rebuild as I dropped flood insurance after elevating home 2 1/2 ft. and never having flooded prior. How can a loan debt be considered a benefit when it is not? While preparing for retirement, I now have 13 year loan debt while other flood victims received monetary assistance. I feel administration of the program was not followed and many workers were not qualified for this task. I would not be surprised if an investigation were opened there would be many errors and possible misappropriation of funds. I also feel some discrimination may have been shown to some applicants who did qualify for a grant award but were given false information or none at all. Please advise of any steps I can take to receive assistance as others have. I still have Sheetrock & carpet to be removed from building where my water tank and water pump are located for water supply from water well. It was not considered for repair when I asked. My application

remains open after speaking with Restore La. representation last Friday. My case worker did not answer or call back and had full mailbox with no option to leave a message. Restore representative said my application shows as in next group of DOB cases for reimbursement. I will continue calling case worker for any updates as they never contact me since award was denied. Please see that applicants are given their award and program is extended and not ended due to their lack of ability to process refunds. Please open an investigation if HUD doesn't act in a timely manner. Thank you for your efforts.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Reimbursement for those Applicants with a total household income above 120 percent AMI whose hardship exception request is approved by HUD will be capped at 50 percent for the amount of drawn SBA funds. This is necessary to meet the HUD requirement that the Program expend at least 55 percent of all grant funds to the benefit of low to moderate income (LMI) households, and is not due to the reallocation of funds. The current budget for the homeowner program still has adequate funds allocated to cover all SBA loan amounts.**

**PUBLIC COMMENT** Please remove the two party check from the action plan amendment. The check should not be issued to sba and the homeowner for those of use below 120% AMI. Repairs need to be done to houses still and that DOB amount should be issued solely to the homeowner to continue with repairs.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. The requirement to issue a joint check is part of HUD's guidelines with respect to the recalculation of SBA duplication of benefits and reimbursement of SBA funds drawn once APA 12 is approved by HUD.**

**PUBLIC COMMENT** I am writing my comment to present my displeasure with the guidance handed down by HUD for the RestoreLA program. My issue is that this is discrimination at it's finest. Our situation in 2016 did not pick and chose who it affected. All impacted with 1' of water qualify for assistance. Exactly what does it matter where you fall, what monies you took, or any other contributing factors outside of DoB of Flood Insurance. If I took monies from SBA, it means I "needed" assistance. Having to pay a loan back now has put a severe situation in our household. Those that needed assistance are being penalized not only for the prior situation of DoB's, but now that we are above a certain AMI and only qualifying for 50% reimbursement. I am just above the 120% AMI at 128. What that means is I will have to go through what has been deemed a "hardship". A hardship was the actual flood, what else do I need to prove. A hardship is taking 35K out of your savings and retirement and depleting your fall back to a zero balance and needing a loan just to make your life for your family home liveable! Why are the folks that contribute the most taxes being penalized the most. This is absolute discrimination!!! This is so backwards. Why does HUD not just wipe away and forgive the SBA loans on record for the 2016 events? How easy would that be for them to do? They hold the funds now, having to maintain those loan accounts, and also these are very low interest loans...so not a money maker for the Fed's, just wipe them away. Most everyone would be perfect with that scenario. I do not understand why we continually have not had access to these funds and are now under new guidance from the HUD that the LMI group will have access to 55% of the funds. How upside down is this? Those folks do not need 55% of the funds, they are LMI, they will not go through 55% of some \$1.9B in funds. So now we have to deal with that debacle of what to do with the leftover. This is very bad and should be adjusted in a situation such as this by doing a census of participants in RestoreLA and noting what % is needed by which groups, since HUD is "discriminating" certain groups and

adding stipulations on certain participants. We need an adjustment to the guidance. We need for all AMI's to be eligible for their reimbursement for their SBA Loans at a minimum! This is just not correct. The guidance is wrong and is not taking care of the people that needs this the most. I shared a room last night at a discussion our Rep Graves hosted. There were 700 disgruntled people in this one room wanting explanations. Many, if not close to all, in the same situation as me. That's a large % of the actual RestoreLA participants. So, who are we really helping here? Are we helping the people that depend on the government already for monthly assistance and bypassing those that contribute the most? Absolutely we are. We are bypassing the folks that took all their available funds just to put their homes back together, going in severe debt, but hey....they went back to work ASAP and contributions to the tax base were immediate. Let's not forget that those bank accounts and borrowing outside of SBA will never be replaced. We are merely asking for SBA assistance and a change in the guidance to do away with the AMI restrictions. This is the only fair and non-discriminatory way to execute this program. Even the director of the program and Mr. Graves agree with this idea. Not one single person that spoke last night to our audience agrees with this guidance and where we are at this time. THIS IS WRONG!!!

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**PUBLIC COMMENT** When will we receive an update? I should've been on the first list of checks that were released. FEMA hasn't responded to my emails.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. If no funds from your approved SBA loan were disbursed, the undisbursed SBA DOB amount should have been removed from your award already. If you drew down only a portion of your SBA loan, the Program is in the process of removing the undrawn amount from Applicant's duplication of benefits calculation and providing an adjusted grant award. SBA loan amounts which were draw for Applicants at or below 120% AMI should be reimbursed once APA 12 is approved by HUD. For those Applicants above 120% AMI, once APA 12 is approved, a hardship exception is necessary before any reimbursement can take place.**

**PUBLIC COMMENT** (image copied below)

I would like to inform you of what happened with our claim through Restore Louisiana. First a little background: We took 6.5 to 7 ft of water in our house. We had replacement flood insurance. House was condemned and torn down. We had to sue our insurance company to get the money we were owed. Almost 3 years later, our claim was settled. Check was sent directly from our settlement Attorney's to our mortgage company. Our claim with Restore was on hold the entire time we were suing our insurance company to receive our funds (while we filed for an SBA loan, we didn't take the loan). We were told we had to spend 109,000 to receive a grant of 9,000.

Our claim with Restore Louisiana was cancelled after Restore Louisiana told us that we were supposed to send our insurance money directly to Restore Louisiana. Which obviously goes against what we were originally told which - we had to have receipts, etc., documenting the amounts we spend and that it had to total the 109k. And, also what the original paperwork we filled out said. Needless to say, my husband and I refused to send Restore any money. Why would we?

First of all, what insanity is it that I would send Restore Louisiana my insurance claim money? You want me to send Restore Louisiana \$140,000 so I could get \$9,000? Second, my mortgage company, as the lienholder on our property would not have given Restore Louisiana any part of the insurance money. I mean why would we? What RIGHT did Restore Louisiana have to any of my insurance money. Restore Louisiana didn't tear down our house, Restore Louisiana didn't haul off the debris, clean up the property. Restore Louisiana did nothing but attempt to scam us out of \$140,000.

Please do not think that we misunderstood what the lady at Restore said. My husband and I both spoke to her and she told us the exact same thing. Which

was essentially that since we didn't send Restore our insurance check, our claim would be cancelled. This was extremely shady, sketchy, illegal, and just one more example of the outright lies, corruption and unwillingness of ANY government agency to help those who truly need it.

While I doubt you will read this letter, I felt that I needed to write it anyway. We were failed by pretty much every single agency we were told could help us. Our State and Federal Government has and continues to fail people. And, it all comes down to incompetence and greed. So, please, if you are actually reading this letter, DO SOMETHING ABOUT IT. We could have used that 9k. We still don't have a house to live in. Because the flood didn't just take everything we owned and our house. It destroyed us financially and emotionally. It showed how little our government truly cares about people like us.

**OCD RESPONSE Thank you for your public comment on the state of Louisiana's Great Floods of 2016 Action Plan Amendment 12. OCD will include your comment and our response when we submit APA 12 to HUD for approval. Duplication of benefits rules apply to all sources of recovery assistance and are not limited to SBA loans.**