

Restore Louisiana Homeowners Assistance Program Task Force members have access to HUD approved DOB policy.



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Louisiana homeowners have asked the director of Restore Homeowners Assistance one simple question. What is our states DOB policy and why is a SBA Loan counted against me when I didn't take the money and I have a letter from SBA that reads Loan Canceled?

Now I would like to read for you our states OCD-DRU Duplication of Benefits policy that has been approved by HUD and is referenced from within our states OCD-DRU Admin Manual version 3.8.

- Under Section 2 - Administration, Exhibit 2-5 the state of Louisiana OCD-DRU "Duplication of Benefit Policy" states

"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."

I would like to point out the keywords which are from Public Law "declined assistance" and our states DOB Policy "**receives assistance**".

Exhibit C [OCD-DRU DOB Policy](#)

- SBA Example letters of declined assistance.
- [HUD Guidance on Duplication of Benefit](#) Requirements and Provision of CDBG Disaster Recovery (DR) Assistance dated July 25, 2013 linked from HUD: HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG-DR Assistance

SBA shows only Declined if the SBA declined the homeowner.

If the Homeowner didn't accept the loan and **did not** close on the application the SBA withdrew the loan.

If the homeowner applied and signed the closing documents and then canceled the loan the SBA had not status update for a Canceled loan after the closing but has a cancel code letter that is used instead. The issue is that the SBA reporting mechanism will continue to show the homeowners full loan approval amount and that the homeowner has a status of approved because the SBA did not decline the loan so it's not declined. And the loan status can not be changed to withdrawn because that has to happen before the loan is processed.

The SBA reporting system is what penalizes families and households that know they can not take on the additional debt. It's basically saying, we approved you, now take the loan or forget about everything else.

Exhibit C SBA Loan Declined Letters A / B

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