

State of Louisiana accepted HUD Guidance Nov 16 2011 76 FR
71060 Duplication of Benefits as policy

FACT CHECK



CDBG-DR Program

RE\$T\$TORE

Published: 7-26-2018 Revised: 7-26-2018

Funds are not reasonably anticipated when the source and/or amount is indefinite, or the applicant is unaware that he/she may be eligible to receive additional funds at a later date.

Background: You were offered an SBA loan but you cancelled the loan and did not receive or expect to receive any assistance from the SBA Disaster Loan Program.

LA OCD-DRU APA 9: "...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"

HUD Nov. 16, 2011 Guidance: "...funds are not reasonably anticipated when the source and/or amount is indefinite, or the applicant is unaware that he/she may be eligible to receive additional funds at a later date"

Publishing your request:

- Post to most current topic in comments section: [@RestoreLA.Gov](https://www.restore-la.gov)
- Email to: info@restore-la.org
- Email to: Jeff.Harley@la.gov

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According to the [Action Plan Amendment 9](#) the office of OCD-DRU has placed a hold on \$682 million in HUD CDBG-DR grant funds.

This hold as explained by director Patrick Forbes July 13, 2018 at the LA Task Force meeting is for everyone with an SBA loan balance, instructing them to wait for Congress or HUD Guidance that would remove the SBA Disaster Loan from the homeowners duplication of benefits calculation.

I would like to discuss with you the removal of my SBA loan approval amount that the SBA published for your records. We have cancelled our loan in its entirety, we have the SBA letter of cancellation as proof that the loan was cancelled and acknowledged by the SBA Disaster Loan Program processing department under

the direction of James E. Rivera Associate Administrator SBA Ft. Worth, Texas.

According to the [HUD Guidance published Nov. 16, 2011](#) we do believe the section that states funds not reasonably anticipated should not be calculated as a duplication of benefits applies to our household. Our letter of cancellation from the SBA and the expired reinstatement period strengthens the fact that the SBA Loan is not anticipated as future assistance. Our household cancelled and refused the SBA Disaster Loan Assistance based on our debt burden which has not changed.

We respectfully request that the SBA Disaster Loan amount be removed from our Duplication of Benefits calculation following the words and spirit of the HUD Guidance dated Nov. 16, 2011.

Thank you,

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Resource Information:

- [Action Plan Amendment 9 Louisiana OCD-DRU](#)
- [CDBG-DR Laws, Regulations, and Federal Register Notices](#)
- [76 FR 71060 Duplication of Benefits](#)
 - B. Total assistance available to the person or entity. Assistance includes all benefits available to the person, including cash and other resources such as insurance proceeds, grants, and SBA loans (private loans not guaranteed by SBA are excepted—see paragraph C). Grantees should identify all assistance received by each person, business concern, or other entity, via insurance, FEMA, SBA, other local, state, or Federal programs, and private or nonprofit charity organizations. See, FEMA Disaster Assistance Policy 9525.3, Duplication of Benefits—NonGovernment Funds.

Grantees should also identify reasonably anticipated assistance, such as future insurance claims or approved SBA loan proceeds. Reasonably anticipated funds include assistance that has been awarded, but has not yet been received. For example, assume a business was approved to receive an SBA loan for \$30,000, but had only received \$20,000 when it applied for CDBG disaster recovery assistance for the same purpose. The grantee should identify the full amount of assistance for which the applicant was approved (\$30,000).

Funds are not reasonably anticipated when the source and/or amount is indefinite, or the applicant is unaware that he/she may be eligible to receive additional funds at a later date. To address any potential duplication, beneficiaries must enter a signed agreement to repay any assistance later received for the same purpose as the CDBG disaster recovery funds. The grantee must identify a method to monitor compliance with the agreement for a reasonable period, and should articulate this method in its written administrative procedures. Please note that if additional need is established, subsequent funds would not be considered a duplication. See paragraph E, Unmet Need, for more information on this issue.

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