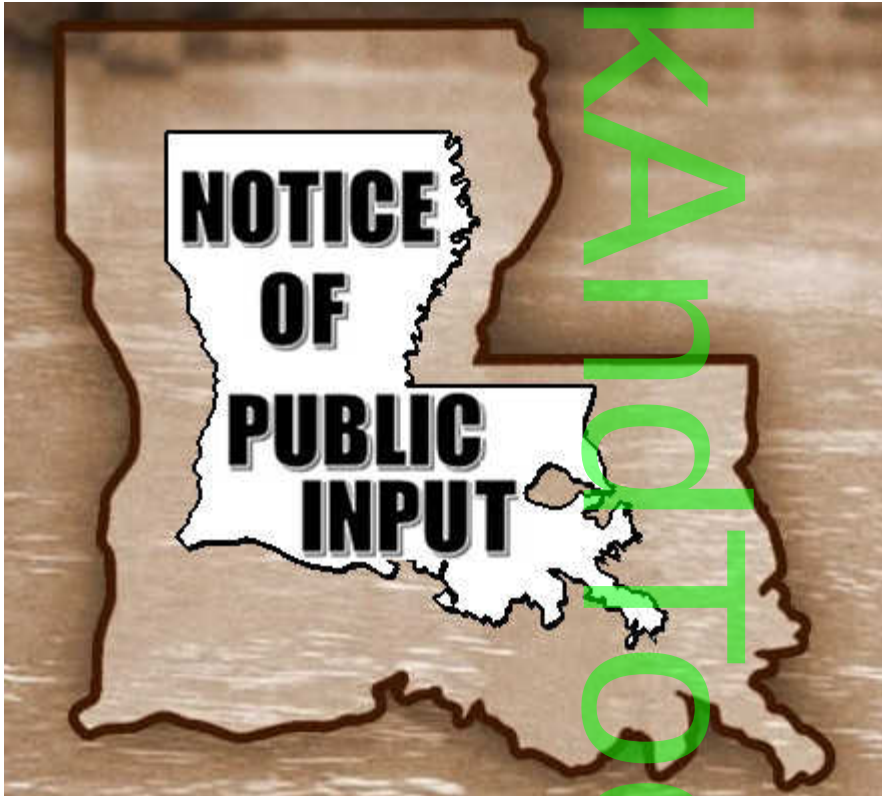


Task Force Public Input: Citizens Proposed SBA Disaster Federal Assistance Declined Solution



Published: 8-22-2018 Revised: 10-14-2018

In the spirit of rebuilding, we the people of the 2016 floods, a natural disaster in the State of Louisiana, officially submit to the Restore Louisiana Task Force the following guidance and policy modifications to advance our disaster recovery efforts.

Title: Homeowner Declined or Canceled SBA Disaster Assistance

Summary: Allow Public Law 115-123 to be used as guidance when calculating the duplication of benefits during the DOB screening process. Public law 115-123 protects the homeowners against being penalized for declining the SBA loan amount offered and from being denied additional federal assistance because of the SBA loan being counted as a duplication of benefits. This policy amendment will assist nearly 3,800 households that have declined the SBA Disaster loan.

Background: In a press release February 8, 2018: Governor John Bel Edwards acknowledged that Senator Kennedy cosponsored a SBA solution with Senator Marco Rubio adding "...that would relieve only 3,800 Louisianans of the DOB penalty..."

In an email from Gov. Edwards to Senator Kennedy February 8, 2018: "Unfortunately, you lent your support to a bill that only helps approximately one-third of the Louisianans the House language helps."

Governor Edwards is referring once again to the estimated 3,800 Louisiana homeowners that declined to accept assistance from the SBA by canceling their loans and not drawing any funds.

H.R. 1892 Bipartisan Budget Act of 2018 was signed into law February 9, 2018 by the President of the United States of America, Public Law 115-123 was on the books and published in HUD's CDBG-DR Laws, Regulations, and Federal Register Notices page under event notices 2017.

Public Law: Feb. 9, 2018 "That with respect to any such duplication of benefits, the Secretary and any grantee under this section shall not take into consideration or reduce the amount provided to any applicant for assistance from the grantee where such applicant applied for and was approved, but declined assistance related to such major declared disasters that occurred in 2014, 2015, 2016, and 2017 from the Small Business Administration under section 7(b) of the Small Business Act (15 U.S.C. 636(b)):"

Policy Change: Remove the reported SBA Disaster loan amount from the OCD-DRU Duplication of Benefits calculation when the homeowner provides proof that they have declined or canceled assistance from the SBA Disaster loan program.

Policy Benefits to Homeowners: It is estimated that 3,800 homeowners would benefit from this adoption of public law 115-123. This policy would save homeowners an estimated total of \$168,970,800 out of pocket savings, pensions, retirement funds, school savings, etc.

Policy Checksum Methodology: The SBA will issue cancellation codes that will confirm the loan was canceled by either the SBA or the Homeowner.

Policy Budget change summary: Currently we have \$682 million available for SBA solutions. At an average cost of \$44,466 per household for 3,800 households we estimate \$168,970,800 to complete this group of SBA households which will leave an estimated 11,200 households with \$498,019,200 of additional federal assistance for unmet needs.

HUD Notice: This is not a substantial change and does not need a public comment period. This policy does not change allocated funds in the Homeowners Program which it will use.

UPDATE: [State of Louisiana Office of Community Development - Disaster Recovery Unit Director Patrick Forbes response.](#)

Copy provided by TruckAndTools.Com developed by Murray Wennerlund.

Email help@truckandtools.com for additional information.

Copyright © 2019 TruckAndTools.Com All Rights Reserved.

Original location: <https://www.truckandtools.com/disaster/mur.asp?gdyk=136>

Published: 8-22-2018 Revised: 10-14-2018

Contribute

**TRUCK AND
TOOLS .COM**