

Do I have to apply for a SBA loan in order to be eligible for other Federal assistance?



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Yes, for certain types of FEMA assistance like ONA a very rare grant to receive. No, for CDBG-DR assistance, but be very careful of your state CDBG-DR manager, they could be a Wolf in sheep's clothing. Check your AMI, if below 80 DO NOT APPLY TO THE SBA!

If your state is anything like Louisiana you're going to feel as if you're a criminal when they start asking you why you refused to apply for an SBA loan. Trust me, they (your OCD) will interrogate you as if you escaped from some prison and the states attorney general is out for blood and you have a bounty on your head. Get the picture?

The state of Louisiana OCD-DRU uses two references so forget all about what they show on their website for their policy on Duplication of Benefits. That's just for the Governor and other state officials to justify paying the OCD-DRU group.

- [HUD Guidance November 16, 2011 Federal Register notice](#)
- [Date Published: November 2011 Clarification of Duplication of Benefits Requirements Under the Stafford Act for CDBG-DR Grantees](#)
- [Date Published: August 2013 HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG-DR Assistance](#)
- [HUD Clarification of Nov. 16, 2011 Guidance in Guidance July 25, 2013](#)
- [HUD OIG Report 2017-KC-0004 regarding Clarification Guidance July 25, 2013 Report OIG: 2017-KC-0004](#)

Now we start to cherry pick, that means to select just what we want to use and what we want to enforce as policy from the HUD guidance. If there is anything that works against the State OCD-DRU they will simply ask for HUD to clarify their guidance and this may or may not happen. Make HUD people upset at offering technical advice and they will at times simply shut down. The state knows this so when they say they are waiting it's important to know what they are waiting for because that wait could be years.

"On July 2, 2013, a bipartisan group of New York City's congressional delegation called for HUD to

lift unnecessary barriers to the CDBG-DR program. **Specifically, the group wanted disaster victims to be eligible for CDBG-DR grants even if they were approved for but did not accept SBA loans.** In response, HUD published additional **guidance on July 25, 2013**, entitled HUD Guidance on Duplication of Benefits Requirements and Provision of CDBG-DR Assistance. This guidance encouraged but did not require disaster victims to apply for SBA assistance as a prerequisite to receiving CDBG-DR assistance. **Further, HUD does not require applicants who have applied for and been offered SBA assistance to accept it as a prerequisite to receiving CDBG-DR assistance. Grantees may assist households and businesses that have declined SBA loans but must analyze the circumstances under which the assistance was declined and show why providing CDBG-DR funds is necessary and reasonable.** " Source [HUD OIG Report 2017-KC-0004](#)

All the guidance is in place and still the State of Louisiana OCD-DRU under the direction of Patrick Forbes delays the recovery of an estimated 3,800 Louisiana Homeowners by announcing they are asking for guidance from HUD for the February 9th 2018 Bipartisan Budget Act of 2018 H.R. 1892 Pub. Law 115-123 which was also asked for by New York City's congressional delegation July 2, 2013. It's clear the citizens of Louisiana, the flood victims of Louisiana didn't make enough noise since it has been over 7 months since our Bipartisan Budget Act of 2018 was signed into law. We could have had 3,800 more homeowners finishing their homes if our state congressional delegation would have picked up our cause and stopped spouting the "Big SBA Fix" line. Fix what you can today and continue fixing until everything is done.

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Don't wait for another Task Force meeting to hear Director Forbes tell Dr. Richardson that he plans on transferring Homeowners Assistance out of the program and into other programs if the SBA fix isn't completed soon. We are talking \$682 million in this case. To save the HUD CDBG-DR funds we have all the guidance in place, we just need the task force to pick up the fight for the 3,800 that DECLINED the SBA LOAN.

As a reminder of just how fast the Louisiana Office of Community Development - Disaster Recovery Unit can make \$682 million vanish, here's the 2 minute and 32 second video that tells it as it will be if nothing is done to help the 3,800 homeowners that Declined to accept the SBA Disaster Loan.

- **Task Force Public Input:** Citizens Proposed SBA Disaster Federal Assistance Declined Solution. [Homeowner Declined or Canceled SBA Disaster Assistance](#)

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