

OCD-DRU Grant Recapture Procedures

Restore Louisiana Homeowner Program

1. Identification of Potential Grant Recovery

In the course of implementing and monitoring the *Restore Louisiana* Program, some applicant files may be identified for potential grant recovery during one of several reviews by program staff or auditors. Files identified as potential grant recovery shall be placed in a “Grant Recapture” status within the eGrantsPlus Recapture Workflow System and a hold placed on the file so that no additional disbursements are made until a full review of the file is conducted.

After the identification of potential for grant recovery, all recovery activities including verification of repayment circumstances and attempts to recapture grant funds will be performed by the Louisiana Office of Community Development or its designee.

The reasons for a partial or full grant recovery include but are not limited to the following:

- Death
- DOB Update
- Fraud
- Ineligible – Ownership/Occupancy
- Non-Compliant Construction
- Non-Compliant Insurance
- Post-Disbursement Withdrawal
- Subrogation Resolutions

The Restore Recapture inventory will be sent to the Application Status “Recapture” in the Restore-LA eGrantsPlus Application if there is a DOB change in system that results in a Negative Variance. The Restore-LA eGrantsPlus Application will allow authorized staff, with the Recapture Managers Role, to assign files in this Status individually or in multiples to Recapture Case Managers. Once file is assigned the Application Status is changed to “Recapture in Progress and the Recapture Status is “Recapture Initial.

Application ID/ Report	Account ID	Reconstruction	Applicant Name	Damaged Residence Street	Damaged Residence City	Damaged Residence Parish	Damaged Residence Zip	Application Status
1700030762 Application	134642		Carroll Taylor	500 CROSLEY ST	WEST MONROE	Ouachita	71291	Recapture
1700032102 Application	127642		Patricia Lewis	2500 BRITTANY DR	NEW IBERIA	Iberia	70560	Recapture

2. Assignment to Recapture Case Manager (Recapture Worker Role)

After files are assigned to the “Recapture Case Manager”, the case manager(s) who have the Recapture Worker Role, will be able to start working the file for review. Assigned files will display the Case Manager’s name and an Application Status of “Recapture In Progress” and a Recapture Status of “Recapture Initial”. Once in these Statuses, the case manager(s) will start the review of their files using the “Eligibility QC Checklist” which resides on the Restore-LA SharePoint Site. The file remains in the “Recapture Initial” status until it is determined that a letter will be issued.

3. Eligibility QC Checklist

When the Eligibility Checklist is completed, along with a full file review. Eligibility Checklist is on the Restore-LA – SharePoint site under State Only. Once logged on, the user clicks “new” to create a new checklist, they will sign in with their credentials. The checklist has multiple tabs and sections: Case Managers will focus on filing in tabs 1 and 2 of the Eligibility Checklist. Below is a list from tab 2 “Pre-Closing Checklist QC”:

1. Applicant/Reviewer Info (General Info Tab)
2. Eligibility and/or Phasing Attribute (Pre-Closing Checklist Tab)
3. Damage Assessments
4. Total Reimbursement/Cost to Repair Amount
5. Certifications and Acknowledgments
6. Mobile Homes
7. Duplication of Benefits
8. Grant Calculation per Checklist
9. Grant Calculation per eGrantsPlus

1	General Information	Input	
2			
3	QC Review Date		
4	QC Reviewer		
5	Account ID		
6	Applicant Name		
7	Homeowner Name (if different from Applicant)		
8	Damaged Property Address		
9	Zip Code		
0	Parish		Enter Zip Code in B9
1			
2	Summary		
3	Eligibility Result		
4			

4. Restore-LA eGrantsPlus Calculation Comparison Screen

A PDF is generated of the Restore-LA eGrantsPlus Grant Calculation Comparison screen and uploaded into the eGrantPlus application. This is uploaded under the section “Recapture – Recapture Compare”. The naming convention lists the applicant’s application number “1700000000_Recapture Compare”.

Compare Modal

Staff Experience – Release 5.0 – RLHPR-9550

The Compare modal window provides a GO Screen comparison between the Current Values and the Previous values, as defined in the Previous Closing feed. When GO Screen updates have been submitted after the Closing Date, the Previous column will show the values from the Closing Date, and the Current values will be updated to reflect the GO Screen changes.

Grant Calculation Comparison

Generate Recapture Compare		Download Recapture Compare
Application ID: 1700004419 Account ID: 101156	Date 10/16/2018	
	Previous Values	Current Values
	Solution 2 & 3	Solution 2 & 3
Grant Calculation		
Total RLHP Award	\$0.00	\$40,115.57
Variance	(\$18,405.03)	\$31,799.72

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eGrants Release Notes

RLHAP Release 5.0

The “Generate Recapture Compare” button will create a PDF document of the Compare screen and save a copy of the document under the Recapture folder in the Recapture Compare document type.

Recapture

- First Recapture Letter +

No attachments to display

- Recapture Compare +

1800005052 - Recapture Compare.pdf	10/31/2018 14:55:17	Everyone
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“Download Recapture Compare” will download the most recent copy of the compare document. If a Compare document has not been generated, clicking on the Download Recapture Compare button will result in no action. (See screenshot next page.)

5. File Review and Summary

Staff will be responsible for completing a summary for each file. After a summary has been Peer Reviewed, it should be added to the “Notes” section of the application by copying and pasting it, then saving it in the application.

At a minimum, each summary will include the following information:

Summary Format

- a) Account ID
- b) Recovery Reason/s
- c) Date(s) of closing
- d) Solution/s
- e) Disbursement/s
- f) Recapture Amount
- g) Remaining Scope of Work
- h) Total Project Cost
- i) Recommendation

Timeline of relevant events in chronological order listing documentation received before and after closing relevant to the grant recovery issue(s).

6. Recapture Documents



All documentation relevant to the “Recapture Files” can be uploaded to eGrantsPlus in the Recapture Area.

Currently the following buckets exist for uploads:



 Recapture

 First Recapture Letter 



No attachments to display

 Recapture Compare 



1700030762 - Recapture Compare.pdf	02/18/2019 18:17:58	Everyone	S
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 Recapture Correspondence from Applicant 

No attachments to display

 Recapture Legal 

No attachments to display

 Second Recapture Letter 

7. Grant Recapture Removal

After a file is reviewed, it may be determined through research and documentation that the file can come out of Grant Recapture. The following scenarios may occur to make this change.

- Deceased Applicant’s Verification Documents are uploaded.
- Deductive Change Order that reduces the negative variance in full.

- Applicant provided documentation that was missing for eligibility or compliance.
- Sold Home field review to determine if repairs were completed to return home to a habitable condition.

If it is determined that the applicant can be removed from Recapture, the assigned case worker will pull up the file, in the My Recapture Assignments Area, and select the “Remove Recapture” Action.

Note: eGrantsPlus requires that the file not have a negative variance prior to being able to remove the file from recapture.

This will open a sub menu with the following choices to select the next action:

Actions	
Available Actions List	Remove Recapture ▾
Recapture Removal Actions	Select the Next Action ▾
Transaction Log Comment	<div style="background-color: #0070C0; color: white; padding: 2px;">Select the Next Action</div> <div style="padding: 2px;">Move to Funds Disbursed</div> <div style="padding: 2px;">Return to Previous Status</div> <div style="padding: 2px;">Move to Recapture Completed</div>

Once action is selected and Comments are added in transaction log box, the user can submit the file for the next action.

- Files where the applicant returns all funds due back to the Restore Program will move to “Recapture Completed” status.
- Files where the applicant has completed all Restore Program activities and are not due additional funds will move to “Funds Disbursed” status.
- Files where the applicant is eligible for additional funding or has not completed the process with the Restore Program will be returned to previous status to be included in the working eGrantsPlus population.

8. Review First Letter

Files approved for a first letter will be sent a letter outlining the reason for the grant recovery. A revised grant calculation will be included with letters listing the grant recovery reason as duplication of benefits. After the case manager prepares the first letter, a different staff member will conduct a peer review for quality assurance/quality control purposes. The peer review staff member may request additional information or revisions to the summary and/or file if needed. Letters will be mailed by certified mail and regular mail to all known addresses listed for an applicant. Each applicant will have their case manager’s contact information listed on the letter in order to answer questions and assist them through the process.

The following folders for letter types is as follows:

- DOB**
- Ineligible**
- Non-Compliant**

Template for a Non-Compliant Letter:

Office of Community Development
Disaster Recovery Unit
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

<Date>

<Applicant>
<Address Line 1>
<Address Line 2>

RE: Restore LA Applicant Grant #000000
Payment required by: (Insert Deadline Date)

Dear <Applicant>:

Upon review of your Restore Louisiana Homeowner Program grant file, it was determined that you have not met the requirements in your grant agreement, which you signed at closing, as follows:

Proof of a flood insurance policy for the minimum amount required for your damaged property. You are required to obtain flood insurance on the damaged property in accordance with your grant agreement dated <grant agreement date>. The property must be insured for a minimum of <final total project cost>, which is the final total project cost. You can submit proof of required flood insurance coverage to prevent the need to return grant funds.

Our records indicate that the amount due back from your Restore Louisiana Grant #000000 is <amount>. **Mail the enclosed form with your certified check, including Grant ID #, made payable to: Louisiana Division of Administration--DRU.** You have 60 days from the date of this letter to respond accordingly (BEFORE insert deadline date).

We have assigned case manager <advisor name> to work with you. If you believe that the reason stated above is incorrect, please contact your case manager to provide corrective information. If you have questions about this letter, please call <advisor number> or email <advisor e-mail>. We appreciate your assistance with this request.

Sincerely,

The Restore Louisiana Homeowner Program

To the extent your obligation to Restore Louisiana was discharged, or subject to an automatic stay under the Bankruptcy Code, this Notice is for informational purposes only and is not a demand for payment, an attempt to collect the repayment of a Restore Louisiana Grant, or an attempt to impose personal liability for the repayment of the Restore Louisiana Grant.

<Date>

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P.O. Box 94095 BATON ROUGE, LOUISIANA 70804-9095 (225) 219-9600 1-800-272-3587 FAX (225) 219-9605
AN EQUAL OPPORTUNITY EMPLOYER

Payment Form
RETURN BY <DEADLINE DATE>

RE: Restore LA Applicant Grant #000000

<APPLICANT>
<ADDRESS LINE 1>
<ADDRESS LINE 2>

Mail this form with your certified check, including Grant ID #, made payable to:
Louisiana Division of Administration--DRU.

Attention: Grant Recovery
Office of Community Development - Disaster Recovery Unit
P.O. Box 94095
Baton Rouge, Louisiana 70804-9095

9. Mailing Letters

When the first letter is mailed, a copy will be uploaded in the eGrantsPlus file under Recapture, First Recapture Letter. The next action will be “Move to First Recapture Letter Sent”. The recapture status will then be updated to “First Recapture Letter Sent”.

Actions	
Available Actions List	Move to First Recapture Letter Sent
Transaction Log Comment	
	Submit

When the second letter is mailed, a copy will be uploaded in the eGrantsPlus file under Recapture, Second Recapture Letter. Applicants who are sent a second letter will be moved from “First Recapture Letter Sent” status to “Second Recapture Letter Sent” status on the day that the letter is mailed.

A checklist is created on the Restore-LA ePortal – SharePoint site under “OCD Grant Recovery Letters” for each letter that is being mailed. Once the checklist is created and the letters have been printed, they are reviewed by an OCD DRU staff member for quality control before mailing.

10. First Recapture Letter Sent

Applicants will be mailed an initial letter giving the applicant sixty (60) days from the date of the letter in which to respond. Letters are sent out weekly in order for OCD DRU staff to adequately provide applicants information about their recovery process. Potential outcomes are as follows:

- *Applicants respond and provide additional documentation showing that they should no longer be categorized as “Grant Recovery”.* OCD DRU staff will upload documentation, review and rework if needed. The file may be removed from recapture if the documentation warrants recapture removal.
- *Applicants respond and repay the full amount of funds to be recovered.* OCD DRU staff will upload documentation and checks will be forwarded to the OCD DRU Financial Manager for processing and deposit. The applicant’s file will be removed from recapture to a “Recapture Completed” status in eGrantsPlus once funds are deposited and clear the account.
- *Applicants respond and make a partial payment or request a payment plan.* OCD DRU staff will send files to the attorney’s office for processing and collection. All documentation will be uploaded into the eGrantsPlus application. Files will then be moved to “Recapture Legal” status. The attorney office will handle the payment plan process.
- *Applicants respond but remain in a “Grant Recapture” status.* Within sixty (30) days, OCD DRU will send a follow up second letter and explain the file review process through a phone call with the applicant. Files will then be moved from a “First Recapture Letter Sent” status to “Second Recapture Letter Sent” status.

- *Returned Mail.* OCD DRU staff will conduct an Accurint search for all letters returned as undeliverable or unknown address provided other system resources result in indeterminate data. Staff will upload documentation and enter any additional addresses found as a result of this search in the system. If the accurint search is different from the current mailing address, the first letter will be re-mailed to the new address and the applicant will be given (60) days to respond.
- *Applicants do not respond within thirty (30) days.* An Accurint search will be conducted to determine if the applicant resides at another address. If the accurint search is different from the current mailing address, the first letter will be re-mailed to the new address and the applicant will be give (60) days to respond. If there is no other address to mail the letter, then a second letter will be mailed giving the applicant the remaining thirty (30) days to respond. These applicants will be moved from a “First Recapture Letter Sent” status to “Second Recapture Letter Sent” status.

11. Second Recapture Letter Sent

Applicants who do not respond within thirty (30) days of the initial letter will be sent a second notice letter. This letter will give the applicant the remaining thirty (30) days from the date of the second notice letter to respond. These applicants will be moved from a “First Recapture Letter Sent” status to “Second Recapture Letter Sent” status. Potential outcomes are as follows:

- *Applicants respond and provide additional documentation showing that they should no longer be categorized as “Grant Recovery”.* OCD DRU staff will upload documentation, review and rework if needed. The file may be removed from recapture if the documentation warrants recapture removal.
- *Applicants respond and repay the full amount of funds to be recovered.* OCD DRU staff will upload documentation and checks will be forwarded to the OCD DRU Financial Manager for processing and deposit. The applicant’s file will be removed from recapture to a “Recapture Completed” status in eGrantsPlus once funds are deposited and clear the account.
- *Applicants respond and make a partial payment or request a payment plan.* OCD DRU staff will send files to the attorney’s office for processing and collection. All documentation will be uploaded into the eGrantsPlus application. Files will then be moved to “Recapture Legal” status. The attorney office will handle the payment plan process.
- *Applicants respond but remain in a “Grant Recapture” status.* Files will then be moved from a “Second Recapture Letter Sent” status to “Recapture Legal” status. The attorney office will continue collection efforts.
- *Returned Mail.* OCD DRU staff will conduct an Accurint search for all letters returned as undeliverable or unknown address provided other system resources result in indeterminate data. Staff will upload documentation and enter any additional addresses found as a result of this search in the system. If the accurint search is different from the current mailing address, the first letter will be re-mailed to the new address and the applicant will be given sixty (60) days to respond.
- *Applicants do not respond within thirty (30) days.* These applicants will be moved from a “Second Recapture Letter Sent” status to “Recapture Legal” status. The attorney office will continue collection efforts.

12. Recapture Legal

If OCD DRU staff move a file to “Recapture Legal” status, the file is transmitted to the attorneys for collection. Unless documentation or factual issues warrant further investigation by the attorneys, the attorney’s office will send a letter by regular mail to all known addresses listed for an applicant.

Files that warrant further review by OCD DRU staff after the attorney’s office collects additional information will be reviewed by OCD DRU and a recommendation given to the attorney’s office.

If the attorney review suggests that the recovery of the improper payment may not be feasible or in the best interest of the state, a feasibility analysis is conducted for review and approval by attorney.

All repayment schedules will be negotiated by the attorney’s office. The attorneys will report and return any funds received to OCD DRU on a bi-weekly basis.

13. General Guidelines for Negotiation of Payment Terms:

A. Files that may not be feasible for collection must be reviewed by OCD DRU Executive Counsel for potential Charge off/Compromise

1. Charge-off is the process by which the OCD DRU recognizes that funds that have been improperly awarded and may be uncollectible from the applicant and/or not in the best interest of the state;
2. In order for EC to justify a charge off or compromise, ALL of the following must exist:
 - a) Improper award was not due to fraud, illegal activity or intentional disregard of the law, state regulations or federal requirements.
 - b) Reasonable efforts to recover the funds have been made without success or only partially successful. Reasonable efforts shall include a minimum of three (3) attempts to contact the grant recipient by staff, or collection attorneys, where appropriate. The attempts may include but are not limited to correspondence, phone calls, and electronic mail.
 - c) The level of anticipated effort necessary to collect the funds is deemed not cost effective or justified.

B. Files identified for Collection will be sent to the attorney’s office. The attorneys will be responsible for negotiating the terms and conditions for repayment of funds from grant recipients in accordance with the State Grant Collection Procedures.

14. Financial Management of Repayments

If a repayment is received by OCD DRU, it shall be:

- a. Forwarded to the OCD DRU Financial Manager for processing;
- b. Documentation scanned and uploaded into the eGrantsPlus Application;
- c. Calculation updated in eGrantsPlus once funds are deposited and clear account;

eGrantsPlus will then be updated to indicate that the file is closed.