

Hundreds of homeowners with SBA Duplication of Benefits may have been categorized incorrectly.



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SBA Duplication of Benefits totaling near \$55 million for Louisiana alone may have been counted against disaster victims but later changed by the SBA without updating state grantee datafeeds. This issue may also be relevant to other disasters since 2013.

It is estimated that 1,158 homeowners are denied Restore LA HUD CDBG-DR Grants by the state of Louisiana Office of Community Development - Disaster Recovery Unit because the state did not check the SBA Datafeed for updates or request updated cancellation codes for homeowners from the SBA.

The state was made aware of SBA agency cancellation code updates by several homeowners that researched their SBA DOB issues, but Restore LA failed to apply these updates to all homeowners with SBA Duplication of Benefits. These 1,158 homeowners may have qualified under HUD Guidance of 2011 or 2013 and other hardships, and Group 1 SBA cancellation codes may have changed the homeowner from a loan status of "Approved" to "Declined" which would automatically remove the SBA loan from any duplication of benefits. The state failed to request updated data information to prevent categorizing SBA loans incorrectly.

The breakdown of SBA Agency Cancellation Codes Group 1 information was received by public document request via the state of Louisiana DOA is as follows: **(1,158 total)**

- **695** possible homeowners with cancellation code C10. Failure to complete and return all loan closing documents. *(Discovered / Proven)*
- **42** possible homeowners with cancellation code C11. Failure to satisfy all terms and conditions of the loan.
- **267** possible homeowners with cancellation code C12. Adverse change. - IHP referral. *(Discovered / Proven)*
- **11** possible homeowners with cancellation code C13. Adverse change. - Other. *(Discovered / Proven)*
- **78** possible homeowners with cancellation code C14 Subsequent recoveries exceed verified loss.
- **NA** possible homeowners with cancellation code C15. RESERVED
- **65** possible homeowners with cancellation code C16. Other reasons. - (Agency Decision)

In closing any one of these 1,158 Louisiana homeowners could have their SBA DOB waived today if the state of Louisiana OCD-DRU would order a review of all cancellation codes from the SBA group 1 "Agency Canceled" C10-C16.

Share with others that you know or suspect never received SBA disaster loan assistance but have been penalized by the State of Louisiana and it's Management Contractor IEM Inc. to include all quality control and quality assurance contractors as well as policy and procedure contractors.

Technical Notes *Unrelated issues:*

- This issue is not related to the Stafford Act Waiver request introduced by Congressman Graves in H.R. 304 Section 1210 titled "Duplication of Benefits". That is a completely different issue.
 - [H.R. 302 \(local copy\)](#)
 - [H.R. 302 Section 1210 Duplication of Benefits \(local copy\)](#)

Technical Notes Related Resources to published issue: (DataFeed)

- [SBA Policy Standard Operating Procedures 50 30 version 9 \(Local Copy\)](#) version 5 or 7 have copies of cancellation letters which will help you understand were some confusing issues are created.
- SBA Policy Standard Operating Procedures OIG REPORT
- [DataFeed - SBA Disaster Data Sharing memorandum of understanding \(MOU\) and Instructions Template 07-13-2017 \(Local Copy\)](#)

Additional Research for Clarification to Media Outlets:

I respectfully request the number of homeowners that have SBA Loan amounts listed as Duplication of Benefits for their Restore Louisiana Homeowners Program application matching the SBA Cancellation codes provided below.

I am requesting the value of XX.

C10 total of 695 homeowners of which XX have SBA DOB listed on their RLHP accounts.

C11 total of 42 homeowners of which XX have SBA DOB listed on their RLHP accounts.

C12 total of 267 homeowners of which XX have SBA DOB listed on their RLHP accounts.

C13 total of 11 homeowners of which XX have SBA DOB listed on their RLHP accounts.

C14 total of 78 homeowners of which XX have SBA DOB listed on their RLHP accounts.

C16 total of 65 homeowners of which XX have SBA DOB listed on their RLHP accounts.

HUD OIG Report evidence supporting my research.

HUD OIG Found one SBA victim that was classified incorrectly when they audited a random sample of Restore Louisiana Homeowners. On page 6 of the HUD OIG bullet point "*Miscalculated assistance amounts for applicants because it did not always confirm information provided by FEMA, NFIP, or SBA and in some cases did not use information provided by applicants, resulting in 1 instance of underpayment and 10 instances of over payments.*"

You will find the following.

"For the underpayment, the State used SBA data showing that the applicant received \$20,000, although the applicant had not received any funds from SBA, which resulted in the applicant's qualifying for additional funding and having to participate in a second award process."

Resource HUD OIG: Audit Report Number: [2018-FW-1007](#) Date: September 28, 2018
<https://www.hudoig.gov/sites/default/files/documents/2018-FW-1007.pdf>

I have researched and found we may actually have over 1,000 homeowners similar to the one that HUD OIG Found.

Please share this page so we can find those that the State of Louisiana penalized for having SBA loans when in actuality they never received a dime from the SBA and were declined by the SBA.

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