

DOB Duplication of Benefit Sources



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Understanding what HUD determines as Duplication of Benefits DOB and understanding the Guidance that HUD offices may not be what your States Office of Community Development Disaster Recovery Unit understands. Are they working your interest?

We all get turned around from time to time while navigating uncharted waters. What may be a walk in the Park for our Federal Employees that remind us about DOB being \$1.00 from Federal Department A. \$1.00 from Federal Department B. is Duplication of Federal Benefits. Who would have known DOB covers more than just federal dollars when Federal Dollars are on the line.

If you don't see your DOB named in the list please post it in the comments below. Typical Homeowners will have Flood Insurance, Temporary Housing Assistance, Homeowner Insurance to start the DOB name game.

- Flood Insurance
- Disaster Housing Program Grant
- State Individual & Family Grant (IFG)
- Hazard Minimization Grant
- Small Business Administration Loan (SBA)
- Increased Cost Of Compliance (ICC)
- Homeowner Insurance

- Temporary Housing Assistance (Minimal Repairs) (THA)
- THA is Not Renters Assistance. Typically given \$10k to \$30k to those that did not qualify for Shelter in Place, Apartment Rentals, Manufactured Homes (FEMA Trailers), etc. It was designed to allow you to live in your gutted home by fixing a small section of it.
- Farmers' Home Administration (FHA)
- Volunteer Agencies
- Cora Brown Fund
- Road Home Program
- Hazard Mitigation Grant Program (HMGP)
- FEMA's Individuals and Households Program Your FEMA letter will reference what the money is to be used for.
- (Add your DOB bandit in the comments)

1. Forced Mortgage Payoffs ordered by your Bank. Funds used to pay off your mortgage cannot be from CDBG-DR funds and have to be from your NFIP money. (Flood Insurance) The money from your Flood Insurance that is used to payoff your mortgage as ordered by your bank is not to be counted as duplication of benefits. 22. Prohibition on forced mortgage payoff. In some instances, a homeowner with an outstanding mortgage balance is required, under the terms of their loan agreement, to repay the balance of the mortgage loan prior to using assistance to rehabilitate or reconstruct their home. CDBG-DR funds, however, may not be used for a forced mortgage payoff. The ineligibility of a forced mortgage payoff with CDBG-DR funds does not affect HUD's longstanding guidance that when other non-CDBG disaster assistance is taken by lenders for a forced mortgage payoff, those funds are not considered to be available to the homeowner and do not constitute a duplication of benefits for the purpose of housing rehabilitation or reconstruction.

<https://www.federalregister.gov/documents/2018/02/09/2018-02693/allocations-common-application-waivers-and-alternative-requirements-for-2017-disaster-community>

2. Small Business Administration Loan (SBA) PUBLIC COMMENTS RE: APA 1 MASTER ACTION PLAN FOR RECOVERY FROM GREAT FLOODS 2016 I would like the Recovery Task Force to speak with specifics on how the reimbursement will work. Additionally, please explain in detail the duplication of benefits. I have been told the State will consider the total amount an applicant could receive from a SBA loan and not the actual amount received. Please explain how this duplicates benefits, when the applicant did not receive the funds. Most homeowners, like I, did not take the amount offered by SBA as I would have owed more than my home was valued. If the State proceeds with this course, most people will not qualify for additional assistance. This is unfair and penalizes people that are acting wisely and prudently with their homes. OCD-DRU RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD-DRU will include your comment and our response when we submit the plan to HUD for approval in February. In response to your comment related to SBA loans and whether these should be considered a duplication of benefits received by homeowners, please be advised that this is not a state of Louisiana policy. According to current federal agency guidance, federal grants/loans cannot be used to repay other federal grant/loans. Additionally, the amount of loan funds approved by SBA is considered a duplication of benefits. Community Development Block Grant-Disaster Recovery funds were allowed to pay off SBA loans after Hurricane Katrina, but HUD subsequently issued guidance in November 2011, in which it clarified the duplication of benefits requirements under the Stafford Act for CDBG-DR grantees. The November 2011 guidance can be found at: <https://www.gpo.gov/fdsys/pkg/FR-2011-11-16/pdf/2011-29634.pdf>. The state is working with Congress and the federal government to recommend ways to amend some of the requirements related to SBA loans that would provide relief to homeowners, but is currently establishing policies and procedures that work within these constraints and the current funding available through CDBG-DR. OCD-DRU strongly encourages you to contact your U.S. Congress member and share your concerns about this situation. OCD-DRU Administration Manual Section 2 Exhibit 2-5 DOB Policy. ... The next step is to identify assistance that is not available for the activity. This consists of: funds received that are not for the same purpose as the CDBG activity(s) funds not available to the application, eg.

forced mortgage payoff, contractor fraud, etc. funds from private loans not guaranteed by the SBA (forgivable loans are duplicative) and any other asset or line of credit available to the applicant, such as checking and savings accounts, stocks, etc. These funds are not considered to be duplicative and may be excluded from being deducted as duplication of benefit. Finally, after subtracting from the proposed activity cost the duplicate funds received or available to receive, calculated the maximum CDBG award. Once the maximum CDBG award has been determined, applicants will be required to sign an agreement (either subrogation or Cooperative Endeavor Agreement) requiring them to return to OCD/DRU any assistance received for the same purpose as the CDBG disaster recovery funds. This agreement is to be monitored by OCD/DRU program staff, grantees and subrecipients at least annually for three years. Unless an additional need is established, disaster recovery funds must be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose. July 25, 2013 HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance Grantees may assist households and businesses that have declined SBA loans,...

https://www.hud.gov/sites/documents/CDBG_SBA_GUIDE.PDF

3. @FederalRegister

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Original location: https://www.truckandtools.com/disaster/duplication_of_benefits.asp?gdyk=23

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