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Interview with Governor Edwards Disaster Team Liaison on December 12, 2019

FACT CHECK



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Governor Edwards Disaster Team communications people are publishing a very different and mostly inaccurate account of the SBA repayment program following the June 20, 2019 Guidance published by HUD.

Governor Edwards Disaster Team reached out to me by phone December 12, 2019 at 4:00 pm. The Governor's office constituent services person had taken my phone in questions for Governor Edwards and promptly forwarded my questions to the Disaster Team directly responsible to the Governor himself. I did ask for a face to face interview session with the governor but was refused and told he does not meet with citizens. The phone interview was in my opinion a better choice, having someone knowledgeable about our disaster recovery issues was a benefit. Unfiltered interview with no public relations or communications people involved. This is what transparency is about. Research was started back in October 2019 after the state published what I suspected was inaccurate information by the Governor and the Restore program on Oct. 11, 2019. It was also misleading communications for disaster victims.

Governor's Liaison: It appears your concerns are over the two-party check process?

Murray Wennerlund: Right, well I kind of figured it out today. We haven't really gotten any updates from Restore in respect of the SBA repayments. It seems the state has worked out the single party check that was going to be proposed in Action Plan Amendment 13. We have been following the repayment process very intently and when Director Patrick Forbes mentioned APA 13 and 1-party checks we were thinking it would be approved. Then 2 homeowners sent me documents that indicated that a single party check would be issued directly to the SBA on their behalf I figured you all worked out the plan with HUD and the SBA.

Governor's Liaison: No, we, that was our hope and quite frankly. But what's been taking so long is we have been trying to work this out but HUD had wrote it had to be a 2-party check. We've gone back and forth now for weeks and instead of holding things up any further, and I agree with you, it is not an efficient process &hellip but it is what it is.

It's what we've been directed to do by HUD. So what we are going to do is, send the check. Now first off, the payments can't be made until the project is complete, because any change to the grant award either by a, you know, a deductive change order or an additive change order or if elevation is added, if accommodations are added. Whatever the case may be, it will change the grant award and it will therefore change the amount that we can disburse amount on the grant.

So in some cases and this is referring to the different solution 1 or solution 2 and solution 3 which is simply a reimbursement project that we won't have that issue. But, that being said the process that's been worked out we will once a project is complete we will send the check to the homeowner. The Homeowner will need to endorse the back of the check and we'll send them a self addressed stamped envelope to mail which will go to the El Paso TX SBA processing center and they will take care of it from their.

Murray Wennerlund: Ok, a single check payable to the SBA and any overages will be paid back to the homeowner?

Governor's Liaison: No, No, it will be a dual party check, from the program, to the homeowner and SBA. The homeowner will need to endorse the check and send it to the SBA to apply toward their loan principle.

Murray Wennerlund: Right.

Governor's Liaison: So we will send a self address stamped envelope with the correct address for the SBA in the letter we send to the homeowner with the check. The (missed word) responsibility is on the homeowner to sign the check and send it to SBA so that they can process it.

Murray Wennerlund: One of the questions that arose was if the amount of the SBA loan was less than the check amount that the SBA would remain, the excess money would be sent back to the homeowner. Is that true?

Governor's Liaison: Yes, it will be processed by the SBA and that takes several weeks because the Treasury Check must be cut.

Murray Wennerlund: Right.

Governor's Liaison: It won't be instantaneous, it will probably be a 3 to 4 week process to get it, a Treasury Check cut back to the homeowner.

Murray Wennerlund: I'll remind people it's just like asking for a Tax Return Check being issued.

Governor's Liaison: Pretty much, yes, it's a Treasury Department check so it takes a little while to process.

Murray Wennerlund: Ok.

Governor's Liaison: The payment that we make goes to principle only. That's another point that everyone needs to be aware of.

Murray Wennerlund: Ok, in the Guidance it made mention of the interest for the below 80% AMI but made no reference to it between the 80 and 120% AMI group. So is the below 80% AMI group getting their payment for interest they have paid in?

Governor's Liaison: No, it's my understanding, don't quote me on this, from my understanding it's principle only payments.

Murray Wennerlund: Ok.

Governor's Liaison: I think we have a waiver that there is some type of limitations on us, I'm not at my desk so I don't have everything in front of me, but I'm positive these payments will be for principle only.

Murray Wennerlund: Ok, I'll make sure people are aware of that, that are interested.

Governors Liaison: We're making sure, we've been communicating to folks, we really have and we're putting it out there and we're working really hard to get the software updated and tested to do the correct calculations. We had our first batch that was requested today (12-12-2019) for draw down from HUD and that will take about 7 to 10 days to process with us and then we will be sending checks to homeowners to endorse and forward on to SBA.

Murray Wennerlund: Awesome, Ok, That addresses the 120% AMI and below, for, I know you have read about this a hundred times and I know how HUD feels about the hardships that is primary focus on 30% for income going to housing. And a lot of people don't fall into that group. Has HUD offered any other process for the above 120% AMI Group?

Governors Liaison: Not at this time, we are still working with them trying to work that out.

Murray Wennerlund: Ok.

Media inquiries should be made via Governor Edwards Communications Director prior to reaching out to me for my notes. Thank you for your interest in understanding HUD Guidance of June 20, 2019 and it's June 12, 2019 instructions to the state of Louisiana Department of Administration.

This interview was planned after intensive document research over the claims made by the Governor on Oct. 11, 2019.

Resource List:

- [Gov. Edwards Statement on the Response by HUD to the Action Plan Amendment](#)
- [State of Louisiana Restore Homeowners Program claims SBA Phase 3 in APA 13 was approved on 10-11-2019 *PDF references APA 12 but it was APA 13 asking for a waiver.](#)
(APA 13 was scheduled to be sent to HUD on Oct. 16, 2019 but was never approved and never sent according to document requests. This was a Public Relations Communications approved by the Louisiana Governor Edwards that was never based on truths or facts. In the interview it becomes clear the state was using "Wishful Thinking" that HUD Washington D.C. would do what they asked. HUD Refused and told the state to follow the June 20 2019 Guidance.

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