

Why Governor J.B. Edwards will never fully understand the issue with Duplication of Benefits SBA and HUD



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The Governor of Louisiana John Bell Edwards has consistently referred to the Duplication of Benefits issue without really understanding what his own state employees are doing about it.

First, J.B.Edwards only mentions SBA Loans counted as duplication of benefits by those that took the loan. He also makes the argument about the loans that were only taken in part.

Both of his arguments are moot in that Congress, HUD and in part SBA have an accord to the two issues a Governor will never correct or have the power to correct.

You can not, not count a full SBA loan in that it can be drawn down at a later date after a person receives other grants for the same thing.

You would have to instruct the SBA not to allow any additional funds to be released to the homeowner which is not in their process.

On top of that issue of not being able to stop the additional drawn downs, SBA is in line based on the delivery sequence to collect any and all additional federal dollars given to the home owner as part of it's continued effort to stop duplication of benefits.

Without a stop in place that would not allow the SBA to take CDBG-DR HUD Grants they would then be using the same process the SBA used during post Hurricane Katrina to pay down what they called Taxpayer Dollar Loans by collecting all HUD grants awarded to the homeowners.

Again, we see that the Governor of Louisiana does not have a good knowledgeable grasp on the issue.

But, let's say this is a ploy to keep homeowners engaged and other homeowners encouraged not to drop out of the program?

Let's say just for argument sake that the Governor and the Restore Directory (OCD-DRU) have an accord to not really work on the duplication of benefits issue so that the numbers work in there favor.

It appears at the current rate, 42.5% of all homeowners that have applied have some stop between them and getting a HUD grant.

Many of them have issues with the SBA Loan being a duplication of benefits. Many, to the tune of over 12,000 homeowners.

This is 12,000 potential voters that the governor really doesn't want to make mad so he drags them along with the hopes and dreams type of letters to the parties that really can't do anything about the Delivery Sequence and the Removal of the SBA Loan as DOB.

Many have said they suspect this is the actual issue because what we do know is the laws have been passed and the notice from HUD has been made for those that have not drawn any SBA Loan dollars but have been approved for them.

Those that did not take the SBA Loan money are, according to federal laws and HUD notices, OK and are NOT to be penalized or have the SBA Loan counted as a duplication of benefits if they never received a single dollar and / or have declined the loan.

The law PL 115-123 have been in the federal registry for months. HUD has updated it's own records and even modified it's training to include the new rule. The state of Louisiana has ignored the notices from HUD about not counting the SBA loan against homeowners. The state has taking the opposite approach to what the Governor has requested from HUD. HUD has told the state that the SBA Loan does not have to count against the homeowner. The State of Louisiana Office of Community Development has been reported saying and I'm paraphrasing, "if a homeowner qualifies for an SBA Loan then they have the means to repair without the HUD Grant." Nearly 2,000 of these homeowners do not have the means but the state director of Restore turns a deaf ear.

The State of Louisiana Director Patrick Forbes and the Homeowners Assistance Directory Jeff Haley have cited that homeowners that did not draw down on the SBA Loan may actually do so later if they are awarded a HUD Grant that would be at the states costs for distributing duplication of benefits.

This thinking by Forbes and Haley is so off base in that SBA has more controls to identify any down sequence of delivery funds it knows when the insurance companies, HUD, FEMA cut any checks to the homeowners.

The idea that the state of Louisiana Restore LA (ReLa) will not allow those that have declined the SBA loan to proceed to their grant award without first returning the money they never took or to actually take the money they don't want.

By forcing this method the state stands ready and open to many types of legal issues that could shut down the whole HUD Grant program.

Similar to what happened in the Housing Discrimination suit of Katrina the program was put on hold for one year while the courts worked out the issue.

Is this the master plan for the ReLa groups? Make the process run longer? Currently based on percentages of activity we have calculated that it will take nearly the same amount of time that Katrina recovery funds were distributed which was 11 years.

The states Office of Community Development director Patrick Forbes appears to have an agenda that is not designed to assist the poor, low income and moderate income families.

News has reported in the past the the LMI households are hardest hit by disasters because of income and credit or the opportunity to secure a loan.

Most all of the low and below income households were denied SBA Loans especially if they did not have collateral.

Others were approved based on Collateral without regard to their ability to repay the loan.

And others that were in low income brackets and had basic credit may have been approved but would be unwilling to take the loan due to the financial stress it would cause.

The state of Louisiana Office of Community Development did not review a homeowners expense to income report. They only reviewed their income and their approved loan amount.

Many Moderate income families (below 80% AMI) could not justify the loan and refused it.

This goes all the way to the 120% AMI income brackets as well. After a disaster you can not profit from what is offered.

In most cases you can not rebuild or repair your damaged home without going into debt or using retirement funds and savings.

Disasters are not what Homeowners ask for to pay off mortgages or get rich. In actually is a slide to blight, as more disasters hit, funds decrease to repair and rebuild and costs of materials and labor are always going up especially in disaster zones.

So Governor Edwards and the Director of Restore LA OCD-DRU all feel that they are doing a great job. Gov. Edwards asks HUD to clarify issues while Patrick Forbes creates more of the same issues.

It has been said by the Gov. that nearly 2,000 homeowners in Louisiana would benefit from having a HUD Grant but are blocked because Patrick Forbes and the State of Louisiana Office of Community Development do not and stated they will not follow the HUD notice on not penalizing homeowners for not taking the SBA Loan.

So sit back and keep listening to only Gov. Edwards and his wasted efforts on helping those that have refused the SBA Loan but are still penalized the total loan amount by the Governors own state employees.

This is not HUD's fault, they corrected this issue Feb. 8th 2018 in H.R. 1892 Public Law 115-123 which is published in the Federal Register and the Notice is on HUD's Federal Register Notices. Not only that, HUD's training for OCD-DRU state departments lists in it's first link on their main training page the public notice.

With everyone from HUD to the Citizens of Louisiana knowledgeable of these rules but still being refused to continue forward by State Employee Patrick Forbes and Jeff Haley we have to ask, what power do these two individuals have over the Governor of the State of Louisiana that allows them to ignore Public Law?

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