

Louisiana OCD-DRU Declined SBA Award Policy



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The Declined SBA Award Policy is published on Page 52 of the Homeowners Assistance Manual version 3.1. This has been confirmed with DOA as being what Restore.LA.Gov uses to determine if a homeowner will be penalized for not accepting the SBA loan offered.

The "**Declined SBA Award Policy**" is found on page 52 of the manual you refer to in your email below.

This is the current policy:

"Applicants who have applied for an SBA loan but have a record of declining the loan or have not executed the SBA loan may be considered for RLHP funding, but awards will be adjusted to account for any SBA DOB.

If a low to moderate income (LMI) household has declined an SBA loan, a hardship will be presumed and the SBA loan will not be considered a duplication of benefit. SBA loan declination is defined as an applicant having never executed the SBA loan documents."

When the "**verification**" paragraph states: RHLHP Declined SBA Award Policy - it is referring to the paragraph above it in the manual (see snip image below).

2. SBA

Definition: Federal regulations deem Small Business Administration (SBA) loans for repair to be a duplication of benefit for federally-funded repair programs. If an applicant has executed a loan from the SBA to cover the cost of repairs, the total amount of the approved loan is considered a duplication of benefits. The entire SBA approved loan amount counts as a duplication of benefits even if an applicant has declined the loan or requested a reduction after SBA approval. Further, the entire SBA approved amount counts as a duplication of benefits even if an applicant has not drawn down any funds from the approved loan.

Applicants who have applied for an SBA loan but have a record of declining the loan or have not executed the SBA loan may be considered for RLHP funding, but awards will be adjusted to account for any SBA DOB. If a low to moderate income (LMI) household has declined an SBA loan, a hardship will be presumed and the SBA loan will not be considered a duplication of benefit. SBA loan declination is defined as an applicant having never executed the SBA loan documents.

Verification: RLHP will collect SBA information provided by the applicant through the application process. In addition, the RLHP will obtain a data feed provided by SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different categories of assistance (e.g. real property, personal property, vehicles, etc.). Any approved amount from SBA, including those amounts declined by the applicant, are considered a duplication of benefits and factored into the award calculation, unless otherwise allowed and approved under the RHLF Declined SBA Award Policy.

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