

**From:** James A Richardson <parich@lsu.edu>  
**Sent:** Friday, August 31, 2018 10:02 AM  
**To:** Pat Forbes  
**Cc:** M W; Adam Knapp; Commissioner Mike Strain; Darryl Gissel; Don Pierson; Shawn Wilson; Jacqui Vines Wyatt; Jimmy Durbin; John Gallagher; Johnny Bradberry; Mayor Dave Norris; Mayor Ollie Tyler; Mayor-President Joel Robideaux; Michael Faulk; Mike Olivier; Randy Cloutre; Representative Edward Ted James (2); Representative J. Rogers Pope; Representative Robert Shadoin; Roland Dartez; Sean Reilly; Senator Dan Blade Morrish; Aimee Richard; Arlene Adger; Barbara Marrable; Becky Perret; Cami Barlow; Enger Kinchen; Jane Lambert; Jayne Norton; Julie Simms (jmullis@C100LA.org); Karen Brown; Karen White; Kimberly LaMotte; Michel Zambo; N Jarreau; Nancy Collie; Paine Gowen; Rhea Victorian; Rhonda Byrd; Sabrina Sentino; Susan Wassan  
**Subject:** Re: Murray Wennerlund, Task Force Public Input: Citizens Proposed SBA Disaster Federal Assistance Declined Solution

Pat

thanks for responding to Mr. Wennerlund.

Jim

On Aug 30, 2018, at 11:19 AM, Pat Forbes <[Patrick.Forbes@LA.GOV](mailto:Patrick.Forbes@LA.GOV)> wrote:

Mr. Wennerlund,

Thank you for reaching out to the Restore Louisiana Task Force with both information and recommendations. As you know, the Governor and the Congressional delegation agree with your interpretation and have been working to correct this consideration of the SBA loans as a duplication of benefits. Unfortunately, we have, as yet, not received what we are looking for. Namely, either guidance from HUD clarifying that funds not drawn by an applicant do not count as DOB, or passage of federal legislation prohibiting federal agencies from counting loans as DOB. Until we get either of those, we are

compelled by our obligation to spend the funds in compliance with HUD and other federal guidance. To not do so would put all the funds spent non-compliantly at risk of federal recapture.

The important distinction in this debate between the state and HUD is about the word “declined.” HUD has so far insisted that “declined” means the homeowner never closed on the loan. We contend, like you, that “declined” means the funds were never drawn, regardless of whether the loan closed or not. Unfortunately, we must follow HUD’s directions until they either change their interpretation, as requested by the Governor in April (<http://gov.louisiana.gov/assets/docs/Letters/JBE-ltr-Carson-DOB-April-2018.pdf>), or Congress passes the necessary legislation and the President signs it into law.

I mentioned above a letter from the Governor to the HUD Secretary about this matter. HUD’s response to this letter references HUD’s guidance of July 25, 2013 guidance. At this time, this guidance represents the rules we must follow. We are eager to assist those who have been approved for SBA loans and, as you’ve pointed out, have the funds available to do so. We are in complete agreement about the need to correct this issue, but it is not accurate to say that it is within our authority, under the current guidance, to provide funds to those who have been approved for an SBA loan and closed on that loan, regardless of whether they have drawn the funds or not. In short, changing our policy on SBA DOB requires a definitive change in directions from our funders in Washington, D.C.

We’d be glad to sit down with you and go over all these documents and correspondence if you like. And again, I thank you for your advocacy on this matter and look forward to being able to tell you soon that we’ve received the guidance we seek and are able to proceed with program policy changes.

Sincerely,

Pat Forbes

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**From:** [general@truckandtools.com](mailto:general@truckandtools.com) <[general@truckandtools.com](mailto:general@truckandtools.com)>

**Sent:** Friday, August 24, 2018 9:00 AM

**To:** Pat Forbes <[Patrick.Forbes@LA.GOV](mailto:Patrick.Forbes@LA.GOV)>

**Subject:** Murray Wennerlund, Task Force Public Input: Citizens Proposed SBA Disaster Federal Assistance Declined Solution



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## Murray Wennerlund, Task Force Public Input: Citizens Proposed SBA Disaster Federal Assistance Declined Solution

Sent on behalf of: Murray Wennerlund Reply goes to: Murray Wennerlund email address [mursplace@hotmail.com](mailto:mursplace@hotmail.com)  
1414 Don Avenue  
Denham Springs LA 70726  
(225) 936-5653

[View in web browser.](#)

In the spirit of rebuilding, we the people of the 2016 floods, a natural disaster in the State of Louisiana, officially submit to the Restore Louisiana Task Force the following guidance and policy modifications to advance our disaster recovery efforts.

**Title:** Homeowner Declined or Canceled SBA Disaster Assistance

**Summary:** Allow Public Law 115-123 to be used as guidance when calculating the duplication of benefits during the DOB screening process. Public law 115-123 protects the homeowners against being penalized for declining the SBA loan amount offered and from being denied additional federal assistance because of the SBA loan being counted as a duplication of benefits. This policy amendment will assist nearly 3,800 households that have declined the SBA Disaster loan.

**Background:** In a press release February 8, 2018: Governor John Bel Edwards acknowledged that Senator Kennedy cosponsored a SBA solution with Senator Marco Rubio adding "...that would relieve only 3,800 Louisianans of the DOB penalty..."

In an email from Gov. Edwards to Senator Kennedy February 8, 2018: "Unfortunately, you lent your support to a bill that only helps approximately one-third of the Louisianans the House language helps."

Governor Edwards is referring once again to the estimated 3,800 Louisiana homeowners that declined to accept assistance from the SBA by canceling their loans and not drawing any funds.

H.R. 1892 Bipartisan Budget Act of 2018 was signed into law February 9, 2018 by the President of the United States of America, Public Law 115-123 was on the books and published in HUD's CDBG-DR Laws, Regulations, and Federal Register Notices page under event notices 2017.

**Public Law:** Feb. 9, 2018 "That with respect to any such duplication of benefits, the Secretary and any grantee under this section shall not take into consideration or reduce the amount provided to any applicant for assistance from the grantee where such applicant applied for and was approved, but declined assistance related to such major declared disasters that occurred in 2014, 2015, 2016, and 2017 from the Small Business Administration under section 7(b) of the Small Business Act (15 U.S.C. 636(b)):"

**Policy Change:** Remove the reported SBA Disaster loan amount from the OCD-DRU Duplication of Benefits calculation when the homeowner provides proof that they have declined or canceled assistance from the SBA Disaster loan program.

**Policy Benefits to Homeowners:** It is estimated that 3,800 homeowners would benefit from this adoption of public law 115-123. This policy would save homeowners an estimated total of \$168,970,800 out of pocket savings, pensions, retirement funds, school savings, etc.

**Policy Checksum Methodology:** The SBA will issue cancellation codes that will confirm the loan was canceled by either the SBA or the Homeowner.

**Policy Budget change summary:** Currently we have \$682 million available for SBA solutions. At an average cost of \$44,466 per household for 3,800 households we estimate \$168,970,800 to complete this group of SBA households which will leave an estimated 11,200 households with \$498,019,200 of additional federal assistance for unmet needs.

**HUD Notice:** This is not a substantial change and does not need a public comment period. This policy does not change allocated funds in the Homeowners Program which it will use.

Thank you,  
Murray Wennerlund  
1414 Don Avenue  
Denham Springs LA 70726  
(225) 936-5653

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