

Gov. Edwards Requests Update from White House on DOB Fix

November 27, 2018

Today, Gov. John Bel Edwards sent a letter to President Donald J. Trump requesting an update on the state's waiver request to eliminate the federal Duplication of Benefits (DOB) penalty to homeowners who were impacted by the 2016 floods.

“The single biggest issue preventing more homeowners from getting assistance through the Restore Louisiana program is the federal duplication of benefits penalty for SBA loans. It is unfair for homeowners who were told by FEMA to apply for SBA loans immediately following floods to be penalized when it comes to receiving grants to rebuild. We've been fighting to get this changed since the aftermath of the floods. Within an hour of the president signing legislation into law to finally address this issue, I submitted a waiver request as prescribed in the law. We have done everything we can to prepare the program for the guidance from Washington, but without that guidance we can't move forward with implementing the change. I am continuing to work with the White House and Congressmen Graves and Richmond who spearheaded this effort in the House, as well as Sen. Cassidy to ensure we get this assistance to homeowners as soon as possible. The Restore program is ready to update grant awards and start helping these homeowners, but is awaiting federal approval. We're hopeful that we get sign off very soon as homeowners who were impacted by the floods have waited long enough.”

To view Gov. Edwards' letter, please [click here](#).

On Oct. 5, 2018, President Donald J. Trump signed the FAA Reauthorization Act of 2018 into law. Included in that bill was language which required the State of Louisiana to request a waiver of any requirements to consider Small Business Administration (SBA) loans as a duplication of benefits (DOB) to funding appropriated by Congress to the State of Louisiana through the Community Development Block Grant (CDBG) program for disaster recovery. Immediately upon the president's signature, Gov. Edwards submitted the state's waiver request as prescribed by law. To view the request, please [click here](#).

Upon Congressional passage of the FAA Reauthorization, Gov. John Bel Edwards instructed Office of Community Development (OCD) to reopen the Restore Louisiana Homeowner Assistance Program survey until October 19, 2018, and extend the formal application deadline until November 16, 2018, in response to this legislation.

Background:

Currently, flood survivors who applied for Small Business Administration loans immediately following the floods are not able to make full use of grant funding available through the RESTORE Louisiana Homeowner Assistance Program. The Federal Emergency Management Agency (FEMA), in the immediate aftermath of a disaster, insists that survivors apply for a SBA loan without fully disclosing that they could be penalized down the road. For example, a homeowner who was approved for a \$90,000 SBA disaster loan, but perhaps only borrowed \$30,000 immediately following the disaster, would be penalized in the grant program for the full approved amount of the loan. The federal government labels this scenario as a Duplication of Benefits (DOB). This is also the case if a homeowner borrowed \$0. That homeowner is still penalized for the full \$90,000.