

KNOW BEFORE YOU CLOSE



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REVIEW YOUR AWARD CAREFULLY

Appeals must be filed **BEFORE** you sign your Grant Agreement at closing. Once your Grant Agreement is executed, you waive any right to appeal the determinations of award amount, results of all inspections, and funding requirements (including Duplication of Benefits (DOB) calculation and any escrow requirement). In the event a future policy change by the Program would positively impact the amount of your grant award, you will be notified, your grant will be recalculated accordingly, and you will have the option to sign a new grant agreement with the updated grant award.

Program policy requires homeowners to self-certify that they still own the damaged property and have not transferred it or received notices of default or seizure related to taxes, mortgage, or title prior to receiving a grant award. Additionally, the Program requires that homeowners maintain ownership throughout the entirety of their participation in the Program.

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DUPLICATION OF BENEFITS

You will be required to certify that you have reported all DOB* and any funds received both before and after you submitted your initial application.

* **Any funds available and/or received from FEMA, insurance (private or NFIP), SBA, etc., that were intended for home repair or replacement are considered a duplication of benefits.**

EXAMPLE: PROSPECTIVE WORK ONLY	
Scope of work for prospective work	\$80,000
Duplication of benefits	
• FEMA assistance for structural repairs	\$20,000
• SBA loan for structural repairs	\$25,000
Total duplication of benefits	\$45,000
Maximum eligible prospective work award	\$35,000

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HOMEOWNER RESPONSIBILITY AND REQUIRED ESCROW (IF APPLICABLE)

In cases where a homeowner received or was approved for funding from other sources (such as FEMA or SBA) to repair his/her storm-damaged home, federal law requires those funds to be invested by the homeowner into home repair before the Program may provide additional dollars.

- **Solution 1, Program Managed Construction** – The “required escrow” funds referenced by your previously accepted Award Acknowledgment must be submitted to the Program during your closing appointment in the form of a cashier’s check. These funds are matched with your grant funds from the Program to ensure your repair/reconstruction project is fully funded and complete.
- **Solution 2, Homeowner Managed Construction** – The “Homeowner Responsibility” amount referenced in your Grant Agreement is the amount of money you will need to spend on home repairs listed in your Estimated Cost of Repairs (ECR) prior to receiving Program grant funds. Once the Program inspects and confirms completion of items in your ECR totaling more than your Homeowner Responsibility, you will be able to receive grant funds. If you have completed repairs since the time of your damage assessment, the cost of those items may be reduced from your Homeowner Responsibility amount.

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FLOOD INSURANCE REQUIREMENTS

If your structure is located in a Special Flood Hazard Area (SFHA), you will be required to maintain adequate structural flood insurance at ALL times for your home.

- You must submit proof of flood insurance or a letter of declination (if home is uninsurable because of disrepair) before signing your Grant Award Agreement. The policy amount should be the lesser of either: **a)** The full insurable value of the structure as determined by the applicable property insurer, or **b)** The maximum amount available for the structure under the National Flood Insurance Program, or a successor program. The full insurable value of the structure will be based upon the Program's total project cost for the Applicant.
- In addition, you will be required to submit proof that you obtained flood insurance after your construction has been completed. Final payment will not be released until this proof of flood insurance is provided to the Program. In the event funds have been provided, failure to submit proof of insurance will result in grant funds being recaptured.
- Failure to maintain insurance in the future will result in ineligibility for future disaster relief per federal guidelines.

DOCUMENTS THAT MAY BE REQUIRED AT CLOSING

- Government-Issued ID for Owner/ Occupants
- Proof of Current Flood Insurance (applicants in Flood Zone)
- Escrow Check for Solution 1 applicants with Homeowner Responsibility
- Power of Attorney (if applicable)
- Income Documentation (to verify LMI status for SBA hardship consideration)
- Completion of Program Forms

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REIMBURSEMENT AND CONSTRUCTION

- If you are eligible for reimbursement, a check will be mailed to you within 3-4 weeks from the date you sign your Grant Award Agreement.
- Homeowners who were required to elevate, per federal requirements, are only eligible for program funding if they have elevated the structure to the federally required height of two (2) feet above the Advisory Base Flood Elevation (ABFE). Homeowners in this situation will be required to provide an elevation certificate demonstrating compliance with this requirement.
- If your local jurisdiction has issued a Substantial Damage Letter for your property, you are required to reconstruct and elevate your property. If you have received a notice of Substantial Improvement from your local jurisdiction, you are required to elevate your property. You must provide a copy of your Substantial Damage Letter or Substantial Improvement Letter (if applicable) to the Program before you sign your Grant Agreement. Failure to disclose this information could result in your ineligibility for the grant and/or recapture.
- For Solution 2 (Homeowner Managed Construction): **a)** payment will only be requested upon successful completion of each progress inspection. The estimated timeline for each payment is 3-4 weeks following the completion and approval of the progress inspection. **b)** Your local permit office may require that you obtain a permit for the repairs detailed in your Estimated Cost of Repair (ECR) report. Participation in the Program does not release you from any permit requirements enforced by your local permit office. Additionally, construction must begin within 180 days of execution of the grant agreement unless a written hardship extension is approved, or your award will be terminated.
- Prior to processing final payment, a successful final inspection must be completed on the home, and, if applicable, proof of flood insurance and proper elevation must be submitted, and a successful lead-based paint clearance examination must be completed.
- Rental assistance is not offered through the Program. If applicable, you will be responsible for vacating your damaged home and removing all personal property and furniture.

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GREEN BUILDING STANDARDS

The State of Louisiana has adopted the ENERGY STAR Certified Home standard for projects that were substantially damaged or where reconstruction is required. Homes that were non-substantially damaged must apply the HUD CPD Green Building Retrofit Checklist to all work undertaken as a part of the Program. For more information, please reference the Green Building Guidance Document at restore.la.gov/green-building-standards.