On June 14, 2019, the U.S. Department of Housing and Urban Development released guidance regarding Small Business Administration loans being considered a Duplication of Benefits for federal grant dollars available through Restore Louisiana (84 FR 28836). Shortly after, the state submitted the required Action Plan Amendment 12 detailing policies and procedures to implement HUD’s guidance. On October 11, 2019, HUD provided partial approval to APA 12, but requested further information regarding the criteria for financial hardships required for households over 120% AMI.

**HOMEOWNER NEVER DREW ANY FUNDS FROM THE SBA LOAN**
- Recalculation of the grant award removing DOB of SBA approved loan amount has been completed.
- Homeowners who closed on their grant award prior to July 18, 2019 received an updated award calculation along with either a check or communication instructing on next steps.
- Homeowners who closed after July 18, 2019 received updated grant awards with the undrawn SBA amount removed as DOB.

**HOMEOWNER DREW SOME, BUT NOT ALL OF THE APPROVED SBA LOAN AMOUNT**
- The Program has recalculated grant awards to remove the DOB of undrawn SBA loan funds and awards have been updated.
- Households at or below 120 percent AMI can expect to be notified of their recalculated grant award that removes the drawn SBA loan amount as DOB in the next few weeks.*

**HOMEOWNER DREW ALL OF THE APPROVED AMOUNT OF THE SBA LOAN**
- Households at or below 120 percent AMI can expect to be notified of their recalculated grant award that removes the drawn SBA loan amount as DOB in the next few weeks.*

**HUD GUIDANCE ON HARDSHIPS**

Per federal guidance, homeowners with household income above 120 percent AMI must file and be approved by HUD for a hardship exception before payment can be provided for drawn SBA loan funds. The Louisiana Office of Community Development submitted criteria for financial hardships with APA 12, but HUD has requested additional information. Once OCD receives approval and further clarification from HUD on the hardship criteria and the hardship exception process, Restore Louisiana will contact impacted homeowners with specific information about their status within the Program and required next steps.

HUD requires that 55 percent of all CDBG grant funds benefit low to moderate income (LMI) households, therefore HUD-approved hardship exceptions will be capped at 50 percent repayment for the amount of drawn SBA funds.

PLEASE NOTE: Homeowners are required to make payments until the SBA loan is satisfied in full. Failure to make principal and interest payments could result in a referral by SBA to collection agencies, reporting to credit bureaus, or other significant consequences. The Program is required to issue payment checks directly to SBA, which will apply the funds to the disbursed portion of the homeowners’ executed loan.