

Friends of CHAT,

**CHAT MEETING: WED. JULY 2, 6:30 PM UNO BUSINESS ADMIN. BLDG. #7**

<http://www.uno.edu/university/maps/maincamp.asp>

**Room to be posted on the door of the building due to construction work**

**To Be Discussed at the CHAT Meeting:  
MORE DISTURBING FACTS BROUGHT TO OUR ATTENTION**

**1. Lowering grants by lowering the valuation for pre-storm value (PSV) that ICF chooses to use.**

There are hidden rules for arbitrary and capricious determination of which of multiple home valuations to use which are referred to in the sample letter to HUD below. We had heard of these but this week received more information.

**2. Some elevation allowances are being decreased as a form of payback for ICF mistakes**

<http://road2la.org/homeowner/faqs.htm#9> **About Elevation Incentive Grants**

**“How are these awards calculated?”**

*The Road Home* Elevation Incentive is determined based on the structure type of the home. Site-built home are eligible to receive \$30,000 and mobile homes are eligible to receive \$20,000 toward the cost of elevation.”

Some applicants who closed on their grant are now reporting drastic cuts to their elevation incentive grants with no more explanation than “mistakes” were made in calculation of their grant. They are being told to sign a form right away that takes away their rights to appeal or to ever get more money from RH. One applicant appealing a shortchanging mistake in her grant was told today by phone and letter that she had to abandon her appeal and accept a big decrease in her elevation incentive due to her being “overpaid” in her additional compensation grant.

See more information below.

**WHAT CAN YOU DO TO HELP YOUR FELLOW LOUISIANIAN RH APPLICANTS OR YOURSELF**

- Continue to take our online survey if you are still waiting on that Road Home and tell your friends and neighbors: see links at [chatushome.com](http://chatushome.com)
- **Please contact HUD to ask for fair grant calculations:**

1. Ms. Jessie Handforth Kome  
DRSI Division Director  
E-mail: [jessie.handforth.kome@hud.gov](mailto:jessie.handforth.kome@hud.gov)
2. Mr. Manuel Ochoa  
Deputy Asst. Sec. for Grant Programs  
HUD  
Wash., D.C., 20410  
[Manuel T. Ochoa@hud.gov](mailto:Manuel.T.Ochoa@hud.gov)

*You can use or modify this sample letter or write your own:*

Manuel\_T.\_Ochoa@hud.gov; [jessie.handforth.kome@hud.gov](mailto:jessie.handforth.kome@hud.gov)

Dear Mr. Ochoa and Ms. Handforth Kome:

The Louisiana Recovery Authority and the Louisiana Office of Community Development recognized that AVMs, BPOs, and drive-by appraisals (market analyses) were inaccurate. Therefore, they implemented the regulation called CP188G in November 2007. CP188G allowed homeowner-supplied appraisals from Louisiana Certified Appraisers to be carefully reviewed by an appraiser of Road Home's choice and not just discarded if they were more than 20 percent higher than the less accurate types of valuations. HUD-FHA insured loan applicants have to use full certified appraisals, (home valuation handbook 4150.2). Please ask LRA and OCD to reinstate the CP188G field review policy for those applicants who disagreed with the Road Home's inaccurate valuations and obtained a full certified appraisal.

Just as important, are the arbitrary decisions of which valuation to use when applicants have multiple valuations (BPO's, AVM's, drive-by appraisals). OCD has said that 25,000 – 65,000 applications have multiple valuations and only a very small percentage of these are the HUD-FHA gold-standard type of valuation, a certified appraisal. Many applicants who did not even question the pre-storm value had grants lowered because a low valuation replaced a higher one. Please ask LRA and OCD to not lower applicants' award amounts based upon multiple, inaccurate valuations and arbitrary rules to choose between such valuations that are more than 35% different from each other. Applicants are being asked to pay back money to Road Home or have their promised \$30,000 elevation incentive award cut because of recalculations of grants, including additional compensation grants. These changing rules and calculations that shortchange applicants with decreased awards has terrible financial consequences for hurricane victims and is very bad for the post-hurricane recovery.

Yours truly,

- **JOIN A CHAT SUBGROUP (AND TELL OTHERS IN THE SAME WAGON) IF YOU ARE WAITING FOR A GRANT BECAUSE YOU SOLD AT A LOSS OR IF YOU HAVE RH CONDOMINIUM PROBLEMS**

## **Sold-at-a-Loss- New CHAT Subgroup Available For Joining**

**From one of our members.** If you sold your Hurricane Katrina/Rita-destroyed home to a private party at a loss and were encouraged to apply for RH money but received a letter in January saying you would probably get nothing, you should know that you are a member of a class of more than 4800 people who are in the same situation.

Walter Vetsch [wvetsch@juno.com](mailto:wvetsch@juno.com) just formed a yahoo chatgroup for any of you or your friends who is a RH applicant in the category of sold-at-a-loss in 2006; none of these applicants have yet had a commitment to have their grant funded even though applicants who sold their home to private persons after closing following RH procedures can have their full grant.

<http://groups.yahoo.com/group/4800strong>

## **Group To Work on Condo Regressive Rule Changes**

Gov. Jindal-era changes in condominium policies have reduced grants of some applicants from \$150,000 to zero. To join this subgroup, write to

[jefferymorgan@aol.com](mailto:jefferymorgan@aol.com)

- **If You Need Help With Road Home, Below Are Free Services Available To You**
  1. **504-301-3112 (For outside New Orleans: 1-888-409-3557) Acorn Housing for help with Your Road Home process or Option Letters, Closing Papers, or mortgage problems**
  2. **Call Loyola University and ask for the Law Clinic for appeals help for low-income applicants # 504 865 2011**
  3. **504-301-3112 (For outside New Orleans: 1-888-409-3557) Acorn Housing for help with credit counseling or home repair loans**
  4. **(504) 529-1000, ext. 242 New Orleans Legal Assistance for low income people, including help with appeals, [www.nolac.org](http://www.nolac.org). Qualifications for free help are described at [www.lawhelp.org/LA](http://www.lawhelp.org/LA)**
- **IF YOU ARE JUST SO FRUSTRATED OR ONE OF THE LUCKY ONES WHO IS ENTIRELY SATISFIED, CONSIDERING SENDING CHAT YOUR RH STORY**

You can write as little or as much as you like. Just tell us if you want it kept anonymous or don't even want it sent anywhere other than to the Executive Board Members of CHAT.

Send to [chatlra@yahoo.com](mailto:chatlra@yahoo.com) Make the subject: Road Home Tale

### **More Information about Elevation Incentives**

From the **June 14 CHAT** Newsletter: Unfortunately my prediction that is highlighted came true and applicants are being told that they must abandon their appeal to get the elevation money.

### **Elevation Ins and Outs (my comments in red)**

Road Home smooths way to appeals: Elevation grant fears allayed; state will review overpayments Friday, May 16, 2008 By David Hammer

<http://www.nola.com/timespic/stories/index.ssf?/base/news-10/1210915235256600.xml&coll=1>

But Rainwater now says he wants ICF to freeze collections work and wait for state officials to review each case. **The LRA wants to make sure it's cost-effective to seek a repayment and to collect money only when it seems absolutely necessary under federal rules, using special caution in circumstances where the homeowner has already applied the money to rebuilding costs.**

...Some homeowners have expressed concern that they could lose the right to appeal by signing a new document to collect a \$30,000 elevation grant. The Road Home Elevation Incentive Agreement, a document sent in recent weeks to about 115,000 applicants in flooded areas, says the home-raising grants can't be appealed and asks applicants to acknowledge that the elevation money is their "FINAL disbursement of Road Home funds" and "that all resolutions and appeals regarding my Road Home compensation have been concluded."

Rainwater said that language was never intended to quash pending appeals or to keep people from appealing other Road Home grant calculations. He said the section was put in the agreement to show that the elevation grant has to be the last dose of financial help provided, so the state can be sure it doesn't exceed the maximum of \$150,000 in total Road Home money to each applicant.

Asked whether the agreement could be used to shut down some appeals, Rainwater said, "Over my dead body." But some homeowners say they still are afraid to sign a

legal agreement until the language is changed. State officials said they would look into the possibility of sending an amended agreement or advisory to allay those fears.

ME: Applicants have been informed by letter and ICF staff phone calls that they must abandon any ongoing appeal about grant shortchanging before they can receive the **second** set of forms for applying for house-elevation money. Despite CHAT advocating for a reversal of the chilling effect of this policy, the only improvement is a June 10 press release that RH elevation grants will be processed while an applicant is in appeals but no elevation money will be given to the applicant until they are out of appeals. I have asked Mr. Rainwater to put it in writing at the website that applicants can get an elevation incentive grant while continuing their appeal. This has not happened and applicants continue to be told that they have to give up their appeal before they get their elevation incentive award.

<http://www.nola.com/timespic/stories/index.ssf?/base/library-149/1213334622150850.xml&coll=1>

Elevation grants set to start flowing

26,000 homeowners have expressed interest Friday, June 13, 2008 By David Hammer

...At an information forum Wednesday night, Disaster Recovery Unit Director Mike Spletto said elevation grants for people who have already received Road Home money would have to wait for "a thorough review of all files to ensure that people are paid the correct amounts and that the elevation award does not put them over \$150,000." But Stephens said Thursday that the review process Spletto mentioned would not slow elevation grant payouts.

**ME: Could this thorough review of files (when all that is needed is to look at any applicant payout numbers) be an attempt to decrease elevation payouts by deciding that applicants were given too much grant money in the first place? We know that many applicants have had decreases in their grants by the application of more and more constricting new rules being applied and rejection of previously accepted extensive documentation.**

This year, with additional federal money in hand, the new state leadership decided to use \$1 billion to relaunch the elevation grants -- **a flat \$30,000 for stick-built homes and \$20,000 for mobile homes**, as long as total Road Home grants don't exceed \$150,000 per applicant.

*Well, that's what the officials said. You can remind them.*

- a. [ocd@lra.gov](mailto:ocd@lra.gov) For one part of the state agency in charge of Road Home
- b. [Ty.Larkins@la.gov](mailto:Ty.Larkins@la.gov) 225-342-1948 For the other part of the state agency in charge of Road Home
- c. [allyfunk@la.gov](mailto:allyfunk@la.gov) For Gov. Jindal's constituent services
- d. [nfrances@xula.edu](mailto:nfrances@xula.edu) For Dr. Frances, Chairman, LRA Board of Directors

Best wishes,

Melanie Ehrlich  
Co-Chairman, CHAT