



## Assignment Frequently Asked Questions

### What is assignment?

Assignment is the act of transferring financial benefits offered by the *Road Home* Homeowner Assistance program from the original eligible homeowner to a new homeowner who purchases the damaged residence.

### Who is eligible to assign their *Road Home* benefits?

The original homeowner at the time of the storm must meet all the eligibility requirements of the Homeowner Assistance program. If the original eligible homeowner chooses they can sell their residence and assign their rights to benefits from the *Road Home* Homeowner Assistance program to the new buyer.

### How does the *Road Home* determine if the original owner assigned rights to the new buyer?

The assignment must be established in a legally binding agreement that transfers the *Road Home* benefits. The assignment may be incorporated in a sale/purchase agreement or in a separate document. The *Road Home* recommends, but does not require, using the *Assignment of Road Home Grant Proceeds* document available from a *Road Home* Housing Advisor, on the [www.road2LA.org](http://www.road2LA.org) Web site, or by calling 1.888.ROAD.2.LA (1.888.762.3252) TTY: 711 relay or 1.800.846.5277. The assignment and sales transaction must be executed after August 29, 2005 and prior to or concurrent with the *Road Home* closing.

### Who submits the application?

The original eligible homeowner must submit the *Road Home* application because the benefits to be assigned are based on the information provided by the original owner.

### How does the initial advisory meeting work?

The original homeowner must attend the initial advisory meeting. At the time of the initial advisory meeting, the original homeowner will provide all of the information that any other applicant applying to receive benefits would need to provide. If the applicant has already assigned rights to a new owner the applicant should bring the executed document to the advisory meeting so it can be scanned and included in the application files.

If the applicant has not already assigned their rights to a purchaser, but plans to do so before receiving *Road Home* benefits, the homeowner should ask for a copy of the *Assignment of Road Home Grant Proceeds* document.

The new homeowner may choose, and is encouraged, to accompany the original homeowner to the initial advisory meeting. If the new homeowner does not attend the initial advisory meeting, then at some point prior to closing, the new homeowner will need to go to a Housing Assistance Center to meet with a Housing Advisor and have their identity verified.



### **How are the benefits for the new homeowner calculated?**

*The Road Home* benefits are calculated based on the eligibility and information provided by the original homeowner.

The new homeowner is only eligible for assistance under Option 1: Stay. The new homeowner may receive a Compensation Grant and an Elevation Allowance. The new homeowner may only receive an Affordable Compensation Loan if BOTH the original owner and the new homeowner meet the income requirements for the Affordable Compensation Loan.

### **Who is notified of the funding award?**

The original owner will receive the *Road Home benefits* letter in the mail. It is up to the original homeowner to notify the new homeowner of the award.

### **Who must attend the closing?**

The original owner and the new homeowner must coordinate to schedule a closing. The original owner does not need to attend the closing, but the new homeowner must attend. At the closing, the *Assignment of Road Home Grant Proceeds* or equivalent legal document must be signed and in the applicant file.

### **What are the new homeowner's obligations to the *Road Home* program?**

The new homeowner must sign all the legal documents associated with other applicants choosing Option 1: Stay including the covenant agreement which obligates the new homeowner to remain an owner occupant, maintain hazard insurance, maintain flood insurance in perpetuity and comply with building code requirements.

### **How will *Road Home* benefits be disbursed?**

The funds will be disbursed in the same way as other applicants who choose Option 1: Stay. If the new homeowner has a lender, then the funds will be deposited in a disbursement account to be managed jointly with their lender. If the new homeowner does not have a lender, the funds will be deposited into a *Road Home* disbursement account.

### **How many times can *Road Home* benefits be assigned?**

*Road Home* benefits can only be assigned once and only the original eligible homeowner at the time of the storm can assign *Road Home* benefits.