



May 8, 2020

FOR IMMEDIATE RELEASE

Contact: media@restore.la.gov

Restore Louisiana Expands SBA Loan Repayments

Baton Rouge, La. – Today, the Louisiana Office of Community Development announced the Restore Louisiana Homeowner Assistance Program is working with almost 2,800 applicants to determine who is eligible for assistance to repay the Small Business Administration loans they received following the 2016 floods.

This effort is in response to guidance from the U.S. Department of Housing and Urban Development that households with incomes above 120% of the Area Median Income are required to demonstrate a hardship to be eligible for reimbursement of their SBA loans.

OCD submitted nine hardship criteria for approval by HUD in Action Plan Amendment 12 and thus far has only received approval for two. OCD continues to work with HUD for approval of the remaining criteria, which can be found [here](#).

Under the HUD-approved hardship criteria, homeowners may be eligible for a hardship exception if they can demonstrate they spend more than 30% of their gross household income on housing expenses, including monthly mortgage payment, homeowners' insurance, flood insurance, property taxes and monthly SBA loan payments, or that they spend more than 15% of their discretionary income on their SBA loan repayment. OCD proposed additional hardship criteria to HUD, but these are the only exceptions approved at this time.

"SBA loan repayment has been a major issue for our homeowners and we've been working with our Congressional delegation since the floods to get impacted homeowners the fix that they deserve," OCD Executive Director Pat Forbes said. "While we have only received approval for two of our proposed criteria, we will continue to do everything we can to assist homeowners as they recover from the floods. We know many households are financially burdened now more than ever during these trying times."

If all 2,800 homeowners qualify for a hardship exception, the Restore Louisiana Program will be able to assist those homeowners in paying off a total of more than \$46 million in SBA loans.

Since HUD issued its initial guidance on SBA Duplication of Benefits in June 2019, the program has reimbursed more than \$68 million to 2,734 homeowners for SBA loan repayments.

###

The Restore Louisiana Homeowner Assistance Program is an initiative to provide assistance to Louisiana homeowners affected by the floods of 2016. With funding from the U.S. Department of Housing and Urban Development provided via Community Development Block Grants, the program is designed to assist qualifying homeowners with housing recovery efforts. It is managed by the Office of Community Development. More information is available at restore.la.gov.