

2015-2016 Floods
Housing Assistance Program
Guideline Revision #5
October 13, 2021

Newton County is proposing the following revisions to the 2015-2016 Newton County Housing Assistance Program Guidelines and will be submitted to the General Land Office on or about October 21, 2021 for approval.

Any individual, group, or agency may submit written comments on these revisions to Newton County. All comments received by October 20, 2021 will be considered by Newton County prior to submitting to the GLO. Comments may be submitted to Elizabeth Holloway, Grants Officer at 107 Davison Street Newton, Texas from 8:30 am to 4:30 pm or to Elizabeth.Holloway@co.newton.tx.us .

Newton County is proposing to revise the language addressing Duplication of Benefits verification that is currently on pages 25 & 26 of the guidelines. Items highlighted in yellow have been modified or added to the original language.

Duplication of Benefit (DOB) Review

Each application will be reviewed to determine if previous funding intended for home repairs was appropriately used to rehabilitate the home. (REVISION #5) The applicant must have an unmet need to move forward in the program. Newton County will determine the applicant's unmet needs prior to calculating the applicant's DOB. Applicants must provide insurance, FEMA, SBA, and any other type of documentation for funds that were received. Additionally, Newton County will verify that the submitted data is accurate to the best of their abilities (e.g. validate against FEMA data).

Applicants will also be asked to provide receipts or acceptable proof of repairs. If receipts are no longer available due to loss, multiple flooding events, or other reasons, then the GLO approved *Self-Certification of Repairs Form* can be used to list repairs and the estimated costs of each repair. An inspection will be performed to verify that the repair was made. Verification of repairs will be noted on the GLO CDBG-DR 11.01A or 11.01 Initial Inspection form. (REVISION #5)

The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The *GLO's DOB Calculation Form* will be used to determine the total DOB amount. (REVISION #5) To reconcile the DOB amount owed, the applicant can provide the DOB amount, or the applicant may be offered a reduction in the scope on the repair or replacement of their home's nonessential components (e.g. laminate for tile floors, reduced floorplan (REVISION #2) etc.).

Applicants will be required to sign a GLO approved Subrogation Agreement that will allow Newton County to recapture any future funding that may be received for the same purpose. (REVISION #5)

Revision #5

Newton County is proposing that the following paragraphs regarding Duplication of Benefits be removed from the Guidelines:

Policy Statement (REVISION #5)

Newton County has developed and will utilize the following policies and procedures to prevent any duplication of benefits when determining an applicant's unmet need. Federal law prohibits any person or entity from receiving Federal funds for any part of structural damage or loss for which they have received funding from another source to the same purpose or effect to recover from the floods. The combination of various forms of Federal assistance in this manner is referred to as a "Duplication of Benefits" (DOB). Any previous benefit will result in a reduction of financial assistance offered for repairs made on applicant's behalf. The following are sources of funding assistance provided for structural damage and loss that are considered DOB:

FEMA Individual Assistance (IA);

FEMA National Flood Insurance Program (NFIP);

Private Insurance;

Small Business Administration (SBA); and

Other sources.

Assistance received in the form of services (instead of funds) for property repairs from any source is not considered DOB. Any additional benefits received by the applicant after the assistance is awarded must be applied to reduce the award amount. Funds received from any source, including, but not limited to, flood insurance, FEMA, and hazard insurance that were previously used to cover repairs to the property will not reduce the amount of assistance if the documented prior repair expenditures are greater than or equal to the amount of assistance that was received.

Method of Verifications (REVISION #5)

Newton County Duplication of Benefit (DOB) Policy and Procedures

Newton County will perform an on-site validation inspection and will utilize Xactimate cost estimating software to document the cost and type of prior repair conducted. For example, if the cost of prior repairs was greater than or equal to the funds previously received for those repairs, then the funds available for the CDBG-DR program will not be reduced. If the cost of prior repairs was less than the funds received for those repairs, then the funds available for repairs will be reduced by this difference or the applicant can elect to pay back the difference.

All program applicants will be required to sign a Subrogation Agreement upon application, permitting Newton County to recover any future insurance payout that may be issued to the applicant after the time of original award, for the applicable disaster under DR-4223 and DR-4545. Where additional benefit is received by the applicant and paid out, Newton County, has the right to recover any payment received by the applicant or may enforce the terms of the Subordination Agreement.

Recapture provisions are as follows:

Newton County will monitor and complete a DOB reconciliation at project close-out to ensure no funds are subject to recapture.

If an applicant is currently appealing or suing its insurance company, recapture of future funds will be pursued by Newton County. Additionally, monitoring procedures to include priorities and frequency to comply with an executed Subrogation Agreement.