

Dear Friends of CHAT,

**1. A Little Extra Time To Ask For Elevation Incentive Grants If You Were Sent The Form But Have Not Sent It Back**

<http://www.nola.com/news/t-p/capital/index.ssf?/base/news-6/1227334825282870.xml&coll=1>

Elevation forms due by Dec. 5

'Last call' issued for those seeking grants Saturday, November 22, 2008 By Bill Barrow

BATON ROUGE -- Road Home applicants seeking elevation grants from the program must submit their "elevation incentive forms" by Dec. 5, the Louisiana Recovery Authority announced this week.

The deadline for the \$1 billion elevation grant program does not affect the separate process of applying for elevation financing from the Hazard Mitigation Grant Program, a separate \$750 million pot of money that the state is administering to help homeowners raise their homes.

"We wanted to bring as many people as possible into the elevation program, which is why we have been accepting these forms," said LRA Executive Director Paul Rainwater. "That said, it is time for the interest period for Road Home elevations to come to an end, so we are issuing one last call for homeowners to return these forms within the next two weeks."

Submitting the incentive forms is considered only a homeowner's statement of interest in learning more about the grants. It does not guarantee a homeowner an award or obligate an applicant to accept an award if it is offered. Those who have sent back their forms should receive a written confirmation of receipt.

The elevation programs have been the source of public frustration and some criticism from federal officials who said Louisiana has not distributed the money quickly enough.

Through mid-week, the Road Home elevation program had paid \$418 million to 14,651 homeowners, the vast majority receiving grants after the state restarted the program earlier this year and streamlined the process by offering flat grant awards to homeowners.

Rainwater said another 3,983 elevation payouts, totaling almost \$116 million, are in the pipeline to close at the closing companies.

LRA officials said the state expects to issue its first elevation awards under the mitigation grant program by year's end.

Road Home applicants who have not received information on the elevation options should contact the program at 888.762.3252.

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*Note that this is over \$500 million that should and could have come from FEMA money as the previous administration promised it would. This would have spared money for the thousands with shortchanged grants who have not had the mistakes corrected. There are even applicants who were told that they won their appeal but cannot get the money they were promised many months ago and no one will explain why to them.*

*Given how often we are told that papers are lost by RH, it would be a good idea to check before Dec. 5 if you sent your elevation grant request form in but have received no follow-up.*

**2. Why Is the LRA Not Spending Applicants' Grant Money To Fix ICF Mistakes and LRA/OCD Unfair Applicant-Restrictive Rules?**

[http://www.nola.com/news/index.ssf/2008/11/5\\_billion\\_in\\_federal\\_hurricane.html](http://www.nola.com/news/index.ssf/2008/11/5_billion_in_federal_hurricane.html)

**\$5 billion in federal hurricane recovery aid still unspent in Louisiana**

**by The Associated Press**

**Tuesday November 18, 2008, 3:51 PM**

BATON ROUGE -- More than one-third of the \$13.4 billion in federal block grant aid given to Louisiana after hurricanes Katrina and Rita remains unspent, according to information provided Tuesday to the state's hurricane recovery panel.

... Much of the unspent aid is slated for housing recovery programs, **including \$2 billion for the Road Home grant program for homeowners**. Several thousand people are awaiting final decisions on grants, and the LRA is asking for permission from state and federal officials to expand the program to include people who sold their homes at a loss after the program's 2006 launch.

**However, the Road Home isn't expected to spend all the money allocated to it because fewer people received aid than were initially projected.**

*Note that ICF International has used the excuse of much-larger-than-expected numbers of applicants to justify raising the ceiling of its contract but now LRA seems to be hinting at taking money out of the grant funds to use for other purposes due to lower numbers of applicants than expected. All of this is occurring despite so many applicants have been denied grants or corrections of shortchanging of their grants due to supposedly inadequate funds.*

*Why is Gov. Jindal's administration not planning to use the available grant money to correct shortchanging mistakes and to reverse new grant-squeezing rules of the RH Program?*

### **3. Pre-Storm Valuations**

From a recent letter by the Appraisal Institute American Society of Appraisers, American Society of Farm Managers, and Rural Appraisers National Association of Independent Fee Appraisers to the FDIC

**“Broker Price Opinions (BPOs) are largely unregulated and are performed with little oversight or training.** While licensed and certified appraisers are required to meet minimum education and experience requirements and to perform real estate valuation assignments in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), BPO preparers have virtually no training requirements or standards. As a result, BPO value estimates vary wildly and are far less reliable than competently prepared real estate appraisals.

**...Use of other available products, such as automated valuation models (“AVMs”) and comparative market analyses (“CMAs”), would present or similar shortcomings.** While our comments thus far have focused on the use of BPOs as part of the *Loss Sharing Proposal*, we have similar concerns with the use of other lower quality valuation tools. Unreliable valuations would jeopardize the success of the proposed program. We would urge the FDIC not to substitute one of these products in place of BPOs.”

**Here is a real-life example from Road Home, which was warned not to use BPOs, AVMs, or drive-by appraisals when the program was initiated.**

2/07	BPO \$145,000
3/07	Desktop \$102,000

Homeowner-purchased Louisiana Certified Appraisal 3//07: \$212,000

**Once again, after a brief period of fairness, LRA denies applicants the use of their certified appraisals if they are more than 20% higher than Road Home's inferior determination of pre-storm value (BPOs, desktops, AVMs).**

**You are welcome to send us your examples, if you have been able to get the RH numbers for pre-storm value of your home.**

**(Please send to [chatlra@yahoo.com](mailto:chatlra@yahoo.com) and put “RH valuations” in the subject)**

### **4. Are There Other Examples Of This Kind of Fraud That Affected Applicants Don't Know About?**

[http://www.abc26.com/pages/abc26news\\_completestorylist\\_landing/?Two-Charged-with-Trying-to-Steal-Storm-G=1&blockID=140752](http://www.abc26.com/pages/abc26news_completestorylist_landing/?Two-Charged-with-Trying-to-Steal-Storm-G=1&blockID=140752)

**Two Charged with Trying to Steal Storm Grant Money**

Associated Press

November 20, 2008

NEW ORLEANS (AP) - A grand jury has indicted two New Orleans residents on charges they conspired to steal more than \$600,000 in federal grant money from elderly victims of Hurricane Katrina. Federal prosecutors say 36-year-old Shawnzell Venson and 38-year-old Willie Smith altered the documentation required for Louisiana Road Home homeowner grants so the money would be deposited in their personal bank accounts instead of the grant recipients'.

Venson and Smith also allegedly called the bank and posed as relatives of the five elderly people who were the rightful recipients of the grant money.

Both suspects were indicted Monday on one count apiece of conspiracy to steal government funds. Each faces up to five years in prison and a \$250,000 fine if convicted.

#### **5. Next Meeting: Help Us Insist On Fair Treatment For Those Promised Well-Deserved Government Help**

- **Time: Meetings on Wed. at 6:30 PM at UNO, usually every other week**
- **Place: Room 179, UNO Milneburg Hall**, on Milneburg Rd. (the road where the brand new dorms are, past the stop sign and the University Center and opposite the Fitness Center.  
Building #24: [Directions to the Business Bldg are given on the Campus Map for UNO](#)
- **NEXT MEETING Wed., Dec. 3. Newcomers are welcome.**

**Best wishes,**

**Melanie Ehrlich**  
**Co-Chairman, Citizens' Road Home Action Team (CHAT)**  
**Member, LRA Housing Task Force**  
<http://chatushome.com>