

April 5, 2008

New Information on Avoiding and Fighting Unfair Liens Placed On Your Home

A contractor has the right to place a lien on a home if the owner does not pay for work done to the house. However, unscrupulous contractors may put an illegitimate lien on a property with damaging consequences to the homeowner.

Contractor Guide under "Protect Yourself from Fraud" for information on avoiding and fighting bad liens.

Or click [here](#).

Will there be enough money for fair Road Home appeals?

It is uncertain that there will be enough Road Home money for pending and future appeals made fairer for applicants as is being promised because of planned use of up to \$1 billion for elevation incentives when another non-Road Home pot of money is available.

If the appeals procedure is really made much fairer, clearer, faster, and transparent and applicants are allowed to appeal once they receive a full copy of their files (which is a right that applicants should be granted as an extension of Road Home's own rules but have not yet been granted; see CP 110C and CP 189A at chatushome.com), it is even less likely that there will be enough money for fair appeals. Once the Road Home Program expends all its money, according to the legislation establishing the program, applicants will not be able to ask the program for correction of shortchanging mistakes.

The following facts have escaped any considerable media attention. They will inevitably be part of a scandalous story eventually if the problem is not fixed. We are still hoping that the LRA will remedy the unnecessary use of Road Home grant funds for house-elevation allowances before it is too late to help thousands of applicants who are in great distress because of underfunding their post-hurricane home-restoration grants.

This shortchanging of applicants, including applicants whose grants went from a promised \$150,000 to zero, was partly due to ICF's high inaccuracy in grant processing, concerted efforts to avoid correcting very large numbers of ICF mistakes, and policies or practices that downsized grants, especially later in the program.

These shortchanging mistakes that are tormenting applicants who were already victimized by the hurricanes/floods can be fixed only if the Road Home Program leaves enough money for this purpose.

But instead, the program has publicly committed itself to start very soon giving away house elevation allowances from the fund for grant money when another pot of money is available.

There is still time for the LRA to reverse this course especially because all along, LRA officials said that they were intending to use FEMA money for house-elevation allowances.

Indeed, the Road Home Program had included \$1.2 billion as part of its \$11.5 billion budget from the \$1.2 billion of FEMA money for elevating houses above federal flood guideline levels. This pot of money for Louisiana is in the FEMA hazard mitigation program. It had been allocated immediately after the storm but inaccessible until Jan. 2008, when FEMA made the rules for use of that money much better.

Citizens' Road Home Action Team (CHAT) has just found out that the FEMA money has been taken out of the Road Home budget leaving the budget with only \$10.3 billion.

Instead of using the FEMA hazard mitigation money as the main source of elevation funds, the Road Home Program is using up precious grant money on "elevation incentives." This has been reported by Road Home to probably involve about \$1 billion dollars of the grant money.

As of Mar. 31, according to the ICF data posted at road2la.org:

\$6.2 billion have been disbursed
104,886 disbursed awards
\$58,841 average award disbursed
154,830 eligible applicants

On Apr. 5, the projected number of total grant recipients was 145,000

For those 40,000 additional grants at \$58,841 per average grant will cost about \$2.4 billion

\$6.2 billion

+ 2.4 billion for more new grants

+ 0.9 billion for ICF, the contractor

= \$9.5 billion

+ \$1 billion for elevation incentives (all of which could come from the FEMA Hazard Mitigation money, thus sparing the grant money)

Total: \$10.5 billion projected expenses.

But all LRA has for the program is \$10.3 billion!

Therefore, money for fairer appeals with a new appeals system looks like it equals zero.

This can be fixed if the elevation allowances are funded from the FEMA hazard mitigation pot of money (\$1.2 billion).

Then, that FEMA money which came to Louisiana only because of the hurricanes, will be used only for hurricane victims.

The FEMA money could be spent anywhere in the state.

The Road Home money can be spent only on Road Home applicants.

We hope that the LRA will redirect the elevation allowances just to the FEMA money and fast-track processing of the forms for FEMA to fund the elevation allowances in a similar way that ICC does. We have been told by federal officials that it is up to the state to design most of the FEMA elevation allowance program so that they can do it in a way that funds costs up to \$60,000 of uncompensated costs for elevation.

It may take a little longer, but FEMA said, for the vast majority of the applicants, the delay for approval by FEMA once the state sends the applicants names would be only 2-4 weeks.

For the small number with special historical or environmental issues, FEMA says the delay will be at most a few months.

Let's hope LRA leaves money for shortchanged Road Home applicants in the Road Home budget.

Federal Taxes and the Road Home Program

From a CPA: Below is the information that was shared, by the IRS, with the New Orleans area CPA's Monday morning of this week. You can load these addresses into to your address line and read the information that is being provided to the CPA's. A word of caution here, this information is written for the trained eye, the "art of word" here is very important to understand what is being communicated.

The information shows that depending on the fact base you can get very different answers. As always see your tax preparer, that is why you pay them.

<http://www.irs.gov/businesses/small/article/0,,id=171341,00.html>

<http://www.irs.gov/businesses/small/article/0,,id=180261,00.html>

However, the latest news is that Sen. Landrieu's bill passed the Senate but it is uncertain what that means. http://www.nola.com/news/index.ssf/2008/04/senate_oks_tax_relief_for_road.html The U.S. Senate voted Friday to give long-sought tax relief to Gulf Coast hurricane victims, but with the April 15 tax deadline looming it has added a complication for those who have yet to file.

The Senate overwhelmingly agreed to an amendment to eliminate what Sen. Mary Landrieu, D-La., has dubbed "the Road Home Tax." The \$1 billion provision is designed to benefit hurricane victims who got tax

refunds based on 2005 storm damage only to find themselves later thrust into higher-than-expected income tax brackets when they received rebuilding grants from the state's Road Home program.

The Landrieu amendment, co-sponsored by Sen. David Vitter, R-La., and other Gulf Coast lawmakers, would allow those taxpayers to amend their earlier return, repay the IRS with one year of interest and get their Road Home grant tax-free.

"We are a significant step closer to eliminating the 'Road Home Tax' once and for all," Landrieu declared after the morning vote.

But just how big a step the Senate took remains to be seen.

The amendment was attached to a larger housing-relief bill designed to ease the pinch of the home mortgage crisis triggered by the spate of foreclosures in the sub-prime market. The bill is unlikely to pass before April 15 and faces several hurdles: It would have to be reconciled with a House-passed version, approved by both bodies and then OK'd by President Bush, none of which is a certainty.

Landrieu urged taxpayers along the Gulf Coast to seek advice from tax professionals before filing. Coming just 10 days before taxes are due, the issue gives CPAs in south Louisiana heartburn.

"We're at the final hour. This creates a lot of confusion," said Gerard Schreiber, a Metairie CPA who has closely followed the tax implications of the 2005 hurricane season. "This amendment is not a certainty. I wish it was. Until we have a final bill signed into law we don't know what to do."

Given the uncertainty, Schreiber and other CPAs are advising clients to either ask for a six-month extension from the IRS, which requires paying the estimated tax by April 15, or file their 2007 tax returns and amend them if the bill is signed into law.

Notices

Louisiana Land Trust Board Meeting (open to the public)
Claiborne Building
1201 N. Third Street
7th Floor
Baton Rouge, LA
April 10th, 2008
2:00 p.m.

Viewing COX10 airings of CHAT meetings

The 2-hour Feb. 25 meeting will be aired longer on COX10 thanks to George Blow: Sun., Apr. 6, 1 PM; Fri., Apr. 11, 6 PM; Sat., Apr. 12, 3 PM.

From far away (especially for our displaced neighbors)

I have received requests from Friends of CHAT (FoCHAT members) about how to see the broadcasts of the CHAT meetings on COX10 when the individual is not in the COX10 viewing area. After airing a given taped program is finished, COX10 will put it on Local On Demand and it can be viewed anytime. For example, the 11.21.07 meeting is currently available to watch for digital subscribers free of charge.

For those forms about elevation allowances

Use BLUE ink to fill them out and sign the forms about elevation allowances. We are told that it may help speed up processing.

Legal Updates

If any residents of the lower 9th ward have not signed up with an attorney in reference to the barge levee break they can retrieve documents from www.bargecase.com. If any questions need answering they can contact Attorney Mark Jackowski (504) 581-6180.

<http://www.nola.com/timespic/stories/index.ssf?base/library-145/1207373008107880.xml&coll=1>

Road Home blocks way to courts, lawsuit says

Provisions in grant agreement blasted as unconstitutional
Saturday, April 05, 2008
By Frank Donze

Road Home Misery Index: Some Updates

The following is just a small sample of emails or CHAT survey (chatushome.org) response received recently from applicants unnecessarily hurting so much. These were made anonymous.

1. We did get a call from the LRA but things have only gotten worse. We went to see a person at one of the help centers. Later on the ICF person at the help center called and said our loan was reduced because we received a larger amount from our homeowners policy than we actually did. About 10,000.00 difference! He also told us the policy about the applicants receiving written documentation about their file is no longer in effect! He gave us a no. to call if we have any more questions. Well that phone no. does not work! I talked to AT&T and there is no such number. One Road Home staff person also told me that we has to make a choice between going to closing and disputing our amount. They of course have never notified us with paper work about our resolution. They don't even have the decency to update our application on line. They phone no. that has been out since Tuesday is 504-754-8001

2. I am handling my elderly Mother's claim for her and this is crazy. I was going to appeal because for over a year I have been told the house appraised for more than \$150,000. When I showed up for closing they used an \$84,000 appraisal that was totally flawed. I have since requested the two appraisals but only the erroneous \$84,000 was sent, did not even have the correct square footage although the flood claim attached to the file has the exact measurements. This is literally making me physically ill.

3. My questions is did the resolution team exist? You are never able to speak to anyone on the resolution team. You are told by the applicant assistance department they have no way of contacting the resolution team. I have read responses from several icf that the delays are caused by the applicants not providing them with the necessary information needed to process their grants, that's the biggest lie told. people are depending on the road home money to repair their homes. tell me why they would delay giving road home the information need to process their grants?

4. Road Home made my application inactive because they stated my husband told them our house was sold, it took me 6 months to make them understand that whoever put that in the file was a liar. then they stated that's not why it is inactive. it was then inactive because we was offered evaluation money. how in the world someone would have the nerve to offer you evaluation when there was more than 6 feet of water in 85% of our home. we should have been in catagory 1 instead of category 2.

5. Haven't received anything as of yet. Workers not trained properly. Had no clue as to what was going on. Could never get a straight answer from anyone.

6. I could not reach anyone on the phone when I appealed my grant amount. I sent all requested information and was denied on two issues. By the time I received the rejection letter it was too late to file the final appeal to OCD. I told the appeals board to forward my info to OCD if it was rejected. They did not do this. Now I feel I am being forced to accept a much smaller amount that i was awarded after my new appraisal amount was accepted. I believe I have no recourse re; appeals. I lost every thing and had to fight for 46000. we are in debt because of road home's unfairness and lack of rules and policies.

7. In the last month I have spoken to three different people, a, b and c, all who indicated they could look into my disputed pre-storm value, in which I submitted an appraisal I paid for, agreed there was a big descraney in that appraisal and the one road home did. Said they would request a post-closing appraisal, and as of today this request has never been processed and once we talk to one individual and they tell me to call back on a certain day for a status, they never (after repeated messages left) returned my calls. I fail to see any improvement in the communication or information sharing or any progress, once I went to my original closing in August 2007. I was told that if I closed, it would be easier and quicker to get my dispute resolved. Which has not been the case. I have been in dispute resolution, since August 24th, 2007, I have had to call Road Home to find out the status and each week, and each month. In October I was told they would request a review of the road home appraisal. In January I was told they would request a Post-closing appraisal. A few weeks ago I was told the same thing, and that neither of the previoustimes, were indicated in my file. Each person said call in a few weeks and they will give me an idea when someone will come out and reappraise my home. I asked for a copy of the original Road Home appraisal and have never received it. Each time a

call back at designated date and time, each individual has voice mail I leave a message and my ID # and they never return my call.

8. I received an appeal denial from the Appeals Office Staff in Feb. saying I missed a deadline. Proof was previously sent to them that I did in fact meet their deadline, yet Appeals still insists that the deadline was missed. Their letter explains nothing and does not mention the information and copies I sent to them nor gives any explanation. The Road Home staff has never been able to competently answer any question I had-either they didn't know or they would tell me something off the wall that no one else at the RH had heard before. I resigned from ICF because of these same problems. There was no sharing of information between departments and the RH was constantly changing policies-and this was all before the problems became public knowledge! I have received so much conflicting information from the RH during my conversations with them this past year that it's obvious that this problem won't be fixed in one month.

9. Per the two letters I received advising me of being assigned Personal Advisors, I sent emails to the addresses included in the respective letters in which I requested a copy of the response to my CAD appeal. Earlier, through a contact, I got a voice mail message of the results but I have yet to receive a written copy. I also requested to move to closing, but no response.

10. I was coerced into going to closing after after almost 2 years of frustration. I was told I had to do this or loose out completely. I was told I could do nothing else and I fell for this explanation because i was at my lowest by this time. By the time I found out i could appeal it was a few days past the 90 day deadline. I think since I never received correspondence from RH, and my RH damage estimate, pre-storm value, size of my home was all changed by someone in road homes office by someone who never saw my home or the damage , Road Home should reconsider my whole application. I requested a copy of my Road Home file on and referred to CP189a and have never received it . This is probably true for a lot of other people who were treated unfairly. Road Home was created to help people rebuild not to make their lives miserable and a pure hell.

11. I AM SO COMPLETEY FRUSTRATED WITH ALL OF THIS. I CANNOT KEEP GOING LIKE I AM, WITH NO END IN SITE. I AM HAVING TO PAY RENT NOW WHICH IS 900.00, THIS 2 TIMES MY HOUSE NOTE, I CANNOT PAY THE RENT, MORTGAGE NOT , UTILITY BILLS, AND EVERYDAY EXPENSES. I AM SO DISTRAUGHT, WILL ALL OF THIS. ANY THING YOU CAN ADVISE ME WITH WOULD BE GREAT HELP.

12. I called the post closing department 35 times in one week because they were supposed to send me the paperwork for closing. I kept getting their message phone and continuously called back. Finally, the appropriate paperwork came the day after x informed me that I will NOT be closing after all because I CALLED THEM TOO MUCH!

13. I have not received any information from post closing. They have no right to punish a 54 year old woman for excessive phone calls as they have told me.

Notes from the Mar. 27 St. Bernard meeting of the Senate Subcommittee under the auspices of Sens. Sheppard and Gray about the Road Home Program
Notes by Davida Finger, Staff Attorney, Loyola Law Clinic

The meeting {6 hours of public testimony of distress by applicants} came on the heels of the announcement that funding promised to legal services providers for their work to help low income homeowners get through the Road Home program has not come through. "On Dec. 7, two days after the legal services had to stop taking new clients, the Office of Community Development agreed to pay the lead Road Home administrator, ICF International, as much as \$156 million more, on top of its three-year, \$756 million deal."
http://www.nola.com/news/index.ssf/2008/03/state_cant_pay_legal_aid_bill.html

Road Home issues are dire. New policies are being made by the same agencies that have crafted the broken system that exists now. They are making changes without community input. After hours of public testimony at multiple meetings, volumes of newspaper articles about inexplicable program delays, and their own admissions that critical parts of the current program such as the appeals system don't work, Al Blankenship from ICF stated tonight that the system can't be judged as broken based on what individual homeowners come forward and describe.

On April 5, in the lower 9th Ward, there will be a community forum for people to share their Road Home problems and get information about the application process.

Homeowners in St. Bernard described the same problems that homeowners have described at the previous two meetings. Here are my notes from applicant testimony, which paraphrase testimony. A complete transcript should be made available: Instead of a solution, Road Home is like a bleeding ulcer. I'm disabled. Please represent us more effectively.

My application was lost. This is a joke. I've been treated like a criminal since the first day.

We are begging from these people. I know how much water came into my house. They don't believe me. Everyone is taking advantage of us and getting a pay check but not us. It is appalling to go through this chaos for one dollar. Everyone is getting paid but us.

The ICF inspector spent five minutes in my house. The result is they missed damaged items. There are different results for houses with the same damage all over the place.

I received my Road Home rejection letter while I was in the hospital for heart failure. I'm living in a house with no hot water. They just keep saying that I should appeal again. They sent us a letter saying we don't live in a flood zone but that don't mean the house didn't flood.

First I was eligible. Now they say I'm ineligible. Road Home is messing us over. My mother can't take it anymore. It hurts so bad. They say things to us that just isn't right.

My mom is 78 years old and is fighting through all of this. She disagreed with the appraised value. But we had a Louisiana certified appraisal do it. The value the Road Home gave our house just isn't right.

They said they would look into the issues but they never got back. The news people tell me that trying to find out anything about Road Home is a brick wall. I've been fast tracked, expedited, and expedited by them. A year and a half later, nothing.

The run-around is the Road Home specialty.

I didn't want to close but they stuck me between a rock and a hard place. I paid for a private appraiser. No one told me I could get a Road Home appraisal.

I feel so bad because of Road Home. First I was a victim of the storm. Now, I'm a victim of the system.

My insurance will be cancelled. I can't afford to buy anything.

[ICF] collects payment even though I don't have anything from them. They goto the house and inspect when I don't own it. The title company sends me letters. I'm the only one not getting paid.

Everyone is stressed out because of this. There is no such thing as a pre-storm value. What I bought it for in 1960, I can't rebuild it for that now.

The PAL system is a joke. I've had 3 PALs and can't ever get them. The PAL program isn't working.

I'm make the right money for low income grant. They told me to circle the box but it was wrong. Now, they say they can't change that.

To end on an upbeat note, please see the following article if you missed it from the head of a NOLA advocacy group doing very important work for fair housing:

<http://www.nola.com/timespic/stories/index.ssf?/base/news-0/1207314002149690.xml&coll=1> Post-Katrina advocacy honors King's legacy
Friday, April 04, 2008
James Perry

Best wishes,
Melanie Ehrlich
Co-Chairman, CHAT
Our website: <http://chatushome.com>
Our online survey: <http://chatforfairness.org>