

Dear Friend of CHAT,

Because we have 5 new members this week (now 899 total), I would like to remind you that HMGP elevation funding is supposed to be available (up to \$100,000; can be in addition to your Road Home grant if you have uncovered costs; but this is a reimbursement program and extremely slow; see <http://chatushome.com> for more information).

In addition, if you tried to appeal and never got a fair appeal (stuck in Dispute Resolution, no copy of your file available to you, etc.), you can try the information at our website about contacting Ty Larkins. Maybe LRA will reinstate its promised re-opening of appeals, if you are lucky. Please write to [about what happens](#) or cc us when you write to Ty Larkins for LRA.

This newsletter contains the following items:

1. HUD Office of the Inspector General Investigates the Road Home (RH):

see near the top of the CHAT website for this news item

2. Paybacks: or how to you draw blood from a stone or money from a RH applicant who honestly spent it all on recovery (comment from a report on RH by George Mason University scholars in Virginia): see below

3. Beware RH giving out your private information: see below

4. Clocks ticking

Item 1: HUD Inspector General Investigates Road Home-- see our website

Item 2: Paybacks

This complicated program almost never explained to the applicants exactly how their grant was calculated .

For example, it withheld information about estimated cost of damage calculations (against RH rules) as well as how the pre-storm value was calculated.

Nonetheless, payback demands for overpayments (due to RH mistakes, purposefully overcomplicated and often changing rules) by this extremely untransparent program are being made.

From CHAT's ongoing survey that applicants can update and can link to from our website

(the public cannot see the answers but can see the questions)

Here is a survey response from an applicant caught in this unfair payback trap.

Sun, 5/10/09 4:48:33 PM

... when i called to check on elevation grant , which they said i was eligible for, they hee-hawed around until one person finally told me that they had paid me too much and i would probably be owing them money, i told them they had my initial application for almost a year and i am sure they went over it with a fine tooth comb. When they finally told me what i was getting, i asked them if it was the right amount ,because it seemed like a lot and i was told" yes maam" if thats what they say you are entitled to then that is what you are getting. when we went for closing i asked again if that was the right amount, because i told them i would not be able to pay it back if it was not the right amount, they assured me it was the right amount.Now after 2 years they say i will probably have to pay them back, I do not know how they calculated the original grants for the Road Home Program. They had sent me some papers with the yellow papers but unfortunately we lost them in IKE.They still tell me i am eligible for the elevation grant, but will probably keep that for back money they are claiming i owe them. My Husband and i are both on social security, i do not know how we will be able to pay them back, we live from check to check now.

Even scholars in Virginia found the program to be inscrutable for applicants.

## The Road Home: Helping Homeowners in the Gulf After Katrina

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Road Home generates an applicant's preliminary grant figure by calculating the dollar value of damage incurred to the pre-storm value of the home. From this, Road Home subtracts any insurance payouts that the applicant has already received to yield the total. The grantee must then make one of four choices, detailed in figure 3, all of which affect the final amount of the Road Home grant.

The numerous penalties and adjustments to which the grant calculation may be subject make it difficult for an applicant to forecast the final payout. For example, though insurance payouts were subtracted from the initial calculation, an applicant without homeowner's insurance (or flood insurance if located in a flood plain) is assessed a 30 percent penalty against the final award. This formula adheres to the program framers' intent to avoid awarding a Road Home grant on top of insurance payouts. It also avoids the moral hazard that may stem from "bailing out" property owners who choose not carry insurance but live in high-risk areas.<sup>27</sup>

Applicant difficulty in forecasting the payout amount has been compounded by many of Road Home's other features, including broad eligibility criteria, an exit penalty applied to those leaving the state, and frequent administrative changes.

CHAT has long maintained that paybacks are only appropriate for applicants who purposefully withheld information (for example, about insurance benefits) or got grants that were very much larger than they should have gotten and understood the calculations and why they were wrong.

### 3. Violations by RH of your privacy

We have been getting reports of whole files, including social security numbers, contact information, names, sent to the wrong person. We complained about this at a meeting in Nov. 25, 2008 at which the following people were

present:

Robin Keagan, Deputy Director, LRA, Robin.Keagan@LA.GOV

David Bowman, LRA, David.Bowman@LA.GOV

Ted Guillot, Constituent Services, OCD, ,

Al Blankenship, Chief of Staff, ICF Intl.

Lara Robertson, OCD, Lara.Robertson@LA.GOV

Richard Gray, OCD, Richard.Gray@LA.GOV

Dan Reese, attny to Paul Rainwater, Dan.Rees@la.gov

Davida Finger, attny, Loyola Law Clinic, who has many RH applicants as clients, davida.finger@gmail.com

Frank Silvestri, attny, Co-Chairman, CHAT

Melanie Ehrlich, CHAT,

Ranie Thompson, NOLAC, who has many RH applicants as clients, rthompson@nolac.org

Al Blankenship retorted to the news of this serious breach of applicant confidential information by saying that he was aware of this. It was due to the overzealousness of the photocopiers and he was making sure that it never happened again.

Well, it did.

This is a serious violation of HUD regulations, as of course it should be, but just one more example of why applicants need to get a copy of their file from this mistake-ridden program if they tried to get a fair appeal and never were able to.

Here is an email that I received email last month.

After 9 months and 3 requests for a copy of our file, we finally recieved a thick package from LRA. Enclosed was SOME of our info and also info on 3 other applicants. This included photo ID's, names and addresses, S/S numbers and other "confidential" information, all of which we have destroyed. My question is now "Who else has OUR info?" SCARY!

If you get someone else's file by RH's mistake, destroy it right away and tell us that this happened at with the Subject: Wrong file sent to me

#### 4. Clocks ticking

- Last LRA Housing Task Force Meeting: Feb. 6, 2009 (According to the statement of the Chairman of this Task Force, Walter Leger, at the last meeting, we (I am on the Task Force) would meet more frequently than before, now at least once every 3 months)
- Public Records Request from myself to Paul Rainwater, Custodian of Records and LRA Exec. Dir. and head of OCD. These requests are supposed to be filled by law within 3-5 days or a strict and expeditious timeline for filling these

Public records request made on July 1, 2008: Partly filled one month later. Remaining items, never filled despite reminders

Public records request made on Oct. 20, 2008: Partly filled in January, 2009.

Public records request made on Dec. 15, 1008: Unfilled

Feb. 13, My lawyer sent and emailed and a mailed copy of a writ of Mandamus to Dan Reese and Alesia Wilkins,

lawyers for LRA.

After giving several extensions of deadlines to LRA, on March 26, my lawyer sent notice to LRA lawyers and Paul Rainwater that he was filing the petition for a hearing that day.

April 2, my lawyer is informed that the hearing is set for Apr. 23.

April 17 & 20 my lawyer is told by Dan Reese that LRA has hired two outside lawyers for the hearing;

Your tax money is being used to pay for outside lawyers (when LRA has its own lawyers) to defend Paul Rainwater and the LRA for continuing to withhold from me public documents that you ought to be able to see about the RH.

May 12, I am still waiting for the hearing because of LRA procrastination and lack of return of phone calls. This involves your tax dollars going to LRA's outside lawyers to keep RH information from the public that has every reason to be publicized.

Next CHAT meeting: May 13

- 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:
- NEXT MEETING Wed., May 13. Newcomers are welcome.\*

Best wishes,

Melanie Ehrlich

Founder, Citizens' Road Home Action Team (CHAT)

Member, LRA Housing Task Force

<http://chatushome.com>