



DUPLICATION OF BENEFITS

CDBG-DR

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1. Overview

The County of Maui Office of Recovery (County OOR) is the lead agency responsible for administering the CDBG-DR funds allocated to Maui County for long-term recovery efforts. These funds are subject to the requirements of the appropriations act, the Allocation Announcement Notice (90 FR 4759), and the Universal Notice (90 FR 1754).

Under Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5155), federal agencies are required to ensure that disaster recovery assistance does not duplicate benefits already received from other sources, such as insurance or other federal aid. This requirement, known as the Duplication of Benefits (DOB) prohibition, helps ensure that federal assistance is used to supplement, not replace, other disaster recovery resources (42 U.S.C. 5170). The County of Maui is prohibited from making a blanket determination that CDBG-DR assistance under one of its programs or activities does not duplicate another category or source of assistance.

A Duplication of Benefit (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same purpose, and the total amount received for that purpose is more than the total need. Common disaster assistance sources include, but are not limited to:

- FEMA
- SBA
- NFIP
- HUD
- Central Office for Recovery, Reconstruction and Resiliency (COR3)
- Increased Cost of Compliance (ICC)
- United States Army Corps of Engineers (USACE)
- Private insurance
- Private and nonprofit disaster assistance and
- Other public or private source
- Legal settlement(s)

Applicants must provide supporting documents, such as bank statements, award or denial letters, to substantiate the amount, source, and use of any disaster recovery or mitigation funds received or were denied for the project.

If the applicant's costs for the activity will be reimbursed by FEMA or another source of funding, the County or its subrecipients cannot provide the CDBG-DR assistance for those costs. If FEMA or other federal funds later cover the same costs paid by CDBG-DR, any duplicative CDBG-DR assistance must be repaid. Assistance can be provided when a survivor's insurance or other resources only cover part of their disaster-related need. In those cases, federal aid used to fill the gap is not considered a duplication (42 U.S.C. 5155(b)(3)).

Subrecipients, contractors, subcontractors, and partners must incorporate this policy into the design, administration, and related agreements for all CDBG-DR projects. A DOB analysis must be completed for every applicant before awarding CDBG-DR funds.

2. Supplanting of Funds

CDBG-DR funds are intended to be the funding of last resort for eligible recovery activities. The County OOR and its subrecipients will not use CDBG-DR funds to supplant other funds allocated by State or local governments, designated for the same eligible activities.

The County OOR will verify that CDBG-DR funds are not used for activities reimbursable by or for which funds are made available by Insurance, FEMA, U.S. Army Corps of Engineers, or other federal funds. To avoid duplication, if FEMA or other programs are accepting applications for a project that is being considered for CDBG-DR funding, the County OOR will seek assistance from those sources before using CDBG-DR. Applicants must file an insurance claim if one has not yet been submitted, as part of the DOB review. The County OOR will establish, if it has not already done so, formal data-sharing agreements with FEMA, the Small Business Administration (SBA), insurers, and other sources of local, state, and federal sources of funding to support timely and accurate DOB verification.

The County OOR, its subrecipients, contractors, subcontractors, and partners will maintain program policies and procedures that describe the types of DOB that may arise and how each source of assistance will be verified. For example, applicants for public infrastructure projects must submit documentation of any FEMA Public Assistance (PA) funds received. The County OOR will then verify this information using data obtained through its agreement with FEMA. At any point during project implementation, the County OOR may request subrecipients to submit their DOB-related procedures and supporting documentation.

3. Calculation of Award and Identification of DOB

The total DOB amount is calculated by subtracting the exclusions from the applicant's total assistance. The DOB calculation framework consists of five main steps:

- Assessing an applicant's total need,
- Identifying total assistance available to the applicant,
- Excluding non-duplicative amounts of financial assistance,
- Identifying the DOB amount, and
- Calculating the total CDBG-DR award.

Several considerations that may change the maximum CDBG-DR award:

- The County OOR is required to impose an award cap that limits the amount of assistance an applicant is eligible to receive, this may reduce the potential CDBG-DR assistance available to the applicant.
- The County OOR may increase the amount of an award if the applicant agrees to repay duplicative assistance it receives in the future (unless prohibited by a statutory order of assistance, as in the requirement to use FEMA or USACE assistance).
- The applicant's CDBG-DR award may increase if a reassessment shows that the applicant has additional unmet need.

The County OOR will incorporate HUD's **Duplication of Benefits Analysis Worksheet** into the eligibility review process for all CDBG-DR applicants. Reference Appendix A for more details on the procedure for calculating CDBG-DR awards and identification of DOB.

4. Types of Duplicative Funds and Exceptions

HUD's **Duplication of Benefits Analysis Worksheet** defines types of assistance and key concepts to consider during a DOB analysis including:

- Funds provided for different purpose than the CDBG-DR assistance
- Funds provided for the same purpose but a different allowable use
- Purpose of the assistance
- Insurance
- FEMA funds
- Order of assistance
- Cost principles
- Total need
- Unmet need
- Private loan
- Subsidized loan
- Declined loan
- Cancelled loan
- Legal Settlement(s)

The County will follow HUD's definitions provided in the worksheet when conducting a DOB analysis.

a. Payments Under the Uniform Relocation Act (URA)

The URA ensures fair and equitable treatment for individuals and businesses displaced as a result of federally funded projects, including those supported by CDBG-DR. A person who has been displaced is allowed to receive rental assistance under the Uniform Relocation Act (URA), as implemented at 49 CFR Part 24. Relocation payments made under the URA and under CDBG's optional relocation assistance provisions at 24 CFR 570.606(d) must comply with DOB requirements, including those outlined in 90 FR 1754 and under the URA. These rules prevent duplicate payments for the same need. To comply with CDBG-DR DOB requirements, the County must complete a DOB analysis before issuing rental assistance under the URA, as applicable to its programs.

Note: Although CDBG-DR funds cannot duplicate other financial assistance for the same purpose, non-financial services, such as advisory assistance and required notices under the Uniform Relocation Act, are not subject to duplication of benefits analysis. These services must still be provided as required by the URA.

b. Multiple Disasters

When more than one disaster occurs in the same area and an applicant hasn't fully recovered from the first disaster before the second one hits, there's a risk that assistance from the second disaster could duplicate earlier aid for the same need. HUD recognizes that Duplication of Benefits (DOB) reviews in these cases can be complicated. For example, damage from the second disaster might destroy work already completed with earlier assistance, or even destroy receipts and documents showing how that assistance was used.

According to HUD's Universal Notice (90 FR 1754), the County OOR is adopting the following policy for situations where two disasters affect the same location before the applicant has recovered from the first:

- Applicants do not have to maintain documentation of how they used public disaster funds (from federal, state, or local agencies) beyond the time period required by the agency that provided the funds.
- If applicants no longer have that documentation, the County OOR may accept a self-certification describing how the funds were used.
- This is allowed only if:
 - The applicant is notified of the civil and criminal penalties for false claims and fraud, and
 - The County OOR determines that the applicant's stated needs are consistent with available data about the nature and extent of damage caused by the disasters (e.g., burn severity maps or damage assessment reports).
- For example, if a second disaster occurs three years after a previous one, and the earlier agency only required documentation to be kept for two years, the County OOR will allow self-certification. Likewise, if records were destroyed by the second disaster, the OOR may also accept a self-certification.

5. Subrecipient Compliance

The County OOR will be responsible for ensuring compliance by subcontractors and subrecipients. All applications for federal pass-through funding must show how the project meets a community need and helps prevent, prepare for, or respond to the disaster.

Documentation submitted with an application will be reviewed utilizing the **Duplication of Benefits Analysis Worksheet** by the County OOR staff or contractors as part of the threshold requirements of the funding process. If it is determined that a duplication of benefits exists and there is no remaining unmet need, the application will not be recommended for approval. If there is a DOB and additional unmet needs, or no DOB at the time of application, the application may be recommended for potential funding.

A second DOB review will be completed by the County OOR before finalizing the subrecipient agreement. During the agreement drafting process, the County OOR will update the **Duplication of Benefits Analysis Worksheet** to reflect the most current information for each conditionally selected subrecipient. Subrecipients are not required to complete the worksheet themselves but must provide any necessary documentation requested by the County OOR to support the review.

Staff will review the forms, use the most recent available data from FEMA, the SBA, insurers, and any other sources of local, state, and federal funding to ensure that there is a continued unmet need, and no duplication has occurred. No agreement shall be executed if, since the date of application, a subrecipient has received funds from other source for the same need as requested during the application process. If funds from another source do not fully cover the unmet need, the County OOR may adjust the award amount to avoid providing more assistance than necessary and to ensure there is no duplication of benefits.

All agreements with subrecipients, contractors or beneficiaries will include the following statement:

“Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 USC 2, 287, 1001 and 31 USC 3729.”

All applicants shall be required to sign, at the time of application, an affidavit as follows:

“I/We agree to notify the County OOR, within five (5) days of any additional or new payments, loans, grants, or awards by HUD, FEMA, the Small Business Administration, the state, or any other entity I/we have not specifically disclosed in this application. Further, I/we understand and acknowledge the County OOR or its subrecipient’s right and responsibility to enforce this requirement by recapturing all or a portion of the CDBG-DR award if the funds I/we receive are determined to be a duplication of the CDBG-DR benefit I/we are applying for with this application.

“PENALTY FOR FALSE OR FRAUDULENT STATEMENT: USC Title 18, Sec 1001, provides: Whoever, in any matter, within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, makes any false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five (5) years, or both.

I/We have read and understand the foregoing statement.

Signature: _____ Date: _____

a. Determining Subrecipient Compliance

The monitoring period and thresholds for DOB repayment agreements will be based on the assessed risk level, primarily determined by the amount of CDBG-DR assistance awarded. When both award size and affordability requirements apply, the County OOR will enforce the more restrictive standard.

Monitoring Thresholds

- Awards of \$25,000 or more
Subject to annual monitoring for up to three years from the date of final disbursement, or for the duration of the required affordability period, whichever is more stringent.
- Awards between \$5,000 and \$24,999
Will be reviewed and recertified at least once within two years of disbursement, or in accordance with the affordability period, if applicable.
- Awards under \$5,000
Not subject to ongoing monitoring unless specific risks are identified. These awards will be reviewed at closeout.

The County reserves the right to conduct additional reviews at any time if new information indicates potential DOB risk.

Affordability Period Compliance

For housing activities with affordability requirements, the County OOR will ensure compliance with the terms outlined in the Action Plan, HUD regulations. If a beneficiary fails to meet affordability conditions, recapture or repayment provisions may be triggered in accordance with this policy.

b. Subrogation and Recapture of Funds

All applicants and subrecipients must report any duplicative assistance they receive whether before or after accepting a CDBG-DR award. Any duplicative funds must be reported to the County OOR and may need to be repaid. All applicants and subrecipients are required to sign a Subrogation Agreement, committing to repay duplicative assistance if needed. If additional assistance is reported, the County OOR will evaluate the funding to determine whether it must be used first for the same recovery purpose as the CDBG-DR award (to prevent duplication of benefits), or whether it must be repaid to the County as reimbursement for previously disbursed CDBG-DR funds.

If it is found that an applicant or subrecipient received more assistance than they were eligible for, the County OOR or its project team may require full or partial repayment. All programs are responsible for:

- Recovering duplicative funds from applicants or non-compliant participants.
- Reviewing and reconciling applicant files to ensure compliance with DOB rules and federal requirements.

If a duplication of benefits or overpayment is identified, the applicant will be issued a written notice outlining the reason for the recapture and the total amount to be repaid. Applicants may appeal the overpayment notification through the designated appeals process detailed in the applicable programs' policy and procedures.

If the applicant does not submit an appeal within the specified timeframe, or if the appeal is denied, the program will proceed with recovery of the overpaid amount. Should the appeal result in a revised award or eligibility determination, the applicant will be required to sign an updated grant agreement reflecting the adjusted repayment amount. Repayments must be made in full, as a lump sum. However, if the applicant demonstrates financial hardship, the program may consider limited accommodations on a case-by-case basis.

All funds recovered will be recorded in the Disaster Recovery Grant Reporting (DRGR) system and returned to the CDBG-DR account or the U.S. Treasury if the grant has been closed out.

Under CDBG-DR Policy Bulletin 2025-01, the program will not pursue repayment of duplicative assistance in the following circumstances:

- The beneficiary is later determined to be deceased;
- The property is subject to foreclosure;
- The beneficiary has filed for bankruptcy; or
- The beneficiary is low- to moderate-income (LMI) and later receives federal assistance for the same purpose, which—if it had been received earlier—would have reduced the amount of the CDBG-DR or CDBG-MIT award. In such cases, repayment is not in the best interest of the federal government, and HUD policy exempts the first \$27,000 of this duplicative federal assistance from collection.

This LMI exemption applies only to duplicative federal assistance received after the CDBG-DR or CDBG-MIT award. It does not apply to:

- Non-federal sources of duplicative aid (e.g., state, local, or private assistance), which must be handled through the County's standard DOB collection process; or
- Fraud, false claims, or misrepresentation by the beneficiary or any party with an interest in the claim.

Note: This policy also allows grantees to forgo collection of small amounts of duplicative assistance when the administrative cost of recovery would exceed the amount owed.

Additionally, these exceptions do not apply in cases where the duplication of benefits results from contractor fraud. Those cases must be handled separately in accordance with program fraud prevention and recovery procedures.

Appendix A: Duplication of Benefits Worksheet

Optional Duplication of Benefit (DOB) Analysis Worksheet

for CDBG-DR Housing Rehabilitation and Reconstruction

Updated April 2024

INTRODUCTION

This optional worksheet can be used to complete a duplication of benefit (DOB) analysis for Community Development Block Grant Disaster Recovery (CDBG-DR) Housing Rehabilitation and Reconstruction programs.

In the context of CDBG-DR, a duplication of benefits occurs when the total financial assistance received from more than one source for the same purpose as the CDBG-DR assistance is greater than the applicant's total need. CDBG-DR funds are one of multiple federal sources of disaster recovery assistance, and because CDBG-DR funds are typically the last federal source of funding, funds are often used for the same purposes as other federal funding sources. For this reason, CDBG-DR appropriations acts usually require grantees to have adequate policies in place to prevent a DOB when carrying out eligible activities. HUD created this optional worksheet to assist grantees with DOB calculations. This worksheet walks a CDBG-DR grantee through many of the necessary steps and considerations related to an individual DOB analysis¹.

The basic ***DOB calculation framework*** consists of five main steps:

1. Assessing an applicant's total need,
2. Identifying total assistance available to the applicant,
3. Excluding non-duplicative amounts of financial assistance,
4. Identifying the DOB amount, and
5. Calculating the total CDBG-DR award.

In addition to the DOB calculation framework, the following requirements apply to all CDBG-DR grantees and can also alter the CDBG-DR award amount when completing a DOB analysis.

- ***Order of Assistance***

- The statutory order of assistance typically provides that CDBG-DR funds may not be used for activities reimbursable by or for which funds are made available by FEMA or the U.S. Army Corps of Engineers. This means that grantees must verify whether FEMA or Army Corps funds are available for an activity (i.e., the application period is open) or the costs are reimbursable by FEMA or Army Corps (i.e., the grantee will receive FEMA or Army Corps assistance to reimburse the costs of the activity) before awarding CDBG-DR assistance for costs of carrying out the same activity. If FEMA or the Army Corps are accepting applications for the activity, the applicant must seek assistance from those sources before receiving CDBG-DR assistance. If the applicant's costs for the activity will be reimbursed by FEMA or the Army Corps, the grantee cannot provide the CDBG-DR assistance for those costs.

- ***“Necessary and Reasonable” Cost Principles***

- Grantees must follow the “necessary and reasonable” cost principles at 2 CFR 200.403 and 200.404. Grantees must consider factors described at 2 CFR 200.404(a) through (e) when determining which types and amounts of cost items are necessary and reasonable. The necessary and reasonable cost principles reinforce the DOB requirements because HUD generally

¹ This worksheet is a guidance document created by HUD staff but does not create any new requirements. Through this guidance, HUD seeks only to clarify existing requirements and provide best practices for grantees receiving CDBG-DR funds and completing DOB analyses.

presumes that if a cost has been paid by another source, charging it to the Federal award violates the necessary and reasonable standard unless grant requirements permit reimbursement.

INSTRUCTIONS

The above DOB calculation framework is captured in this worksheet, and each step includes questions and prompts to help grantees arrive at the final CDBG-DR award amount after accounting for DOB requirements.

Grantees are encouraged to complete this optional worksheet for each applicant applying for CDBG-DR assistance prior to awarding CDBG-DR funds. Using this tool can improve a grantee's knowledge and comprehension of HUD's DOB framework and support its individualized review of each applicant to determine that the amount of CDBG-DR assistance provided will not cause a duplication of benefit.

The table below highlights several key terms and concepts that are used to complete a DOB analysis. This list of terms is provided to help a grantee understand the terms used throughout the worksheet.

DOB Terms & Concepts	Description
Funds provided for a different purpose than the CDBG-DR assistance	Financial assistance that is provided from another source other than the CDBG-DR funds for a different purpose than the CDBG-DR funds or a general, non-specific purpose (e.g., "disaster relief/recovery"), as long as the assistance is not used for the same costs as the CDBG-DR funds.
Funds provided for the same purpose but a different allowable use	Financial assistance that is provided from another source other than the CDBG-DR funds for the same purpose (e.g. housing rehabilitation) as the CDBG-DR funds but used for a different allowable use than the CDBG-DR funds (e.g. interior vs. exterior rehabilitation). This is determined by looking at the actual, specific use of the financial assistance.
Purpose of the Assistance	The "purpose" means the purpose for which the funds were provided by the entity that provided the financial assistance. A grantee must identify the purpose of the assistance for which the funds were provided, not the purpose for which they were used. Insurance proceeds for damage or destruction of a building are for the same purpose as CDBG-DR assistance to rehabilitate or reconstruct that building. The CDBG-DR grantee can look to the award letter to determine if the use of the funds was for a particular purpose. The purpose of the assistance is often simply the CDBG eligible activity, e.g., housing rehabilitation, acquisition (including buyout). In some cases, a CDBG eligible activity is too broad to identify the purpose of the financial assistance. For example, a public service activity to provide temporary rental assistance under a CDBG-DR waiver and alternative requirement is a different purpose than providing a public service for legal assistance.

Insurance	Homeowner's insurance pays for losses and damage to your property if something unexpected happens. Insurance payouts must be considered as a source of assistance. Additionally, when homeowners have other insurance coverage (e.g., NFIP or other types of insurance coverage for earthquakes or fire) any payouts made would also be considered a source of assistance.
FEMA Funds	Typical FEMA funds that CDBG-DR grantees should account for are FEMA Individuals and Households Program (IHP), Public Assistance Program (PA), Hazard Mitigation Grant Program (HMGP), and Building Resilient Infrastructure and Communities (BRIC). For purposes of this worksheet, the National Flood Insurance Program is considered "insurance" and not "FEMA funds," but it still must be considered as a source of assistance.
Order of Assistance	The statutory order of assistance is a standard provision in CDBG-DR appropriations acts which specifies that CDBG-DR funds may not be used for activities reimbursable by or for which funds are made available by FEMA or the Army Corps.
Cost Principles	A cost allocated to the grant must "be necessary and reasonable for the performance of the Federal award..." and otherwise comply with cost principles (see, e.g., 2 CFR 200.403(a); 2 CFR 200.404; and 2 CFR 200.405)
Total Need	Total need is calculated based on need estimates at a point in time and represents the applicant's current need at the time the DOB is calculated. For rehabilitation, reconstruction, or new construction activities, the total need is normally equivalent to construction cost estimates.
Unmet Need	When total need for eligible activities is more than total assistance for the same purpose, the difference between these amounts is an "unmet need." Grantees must limit their assistance to "unmet needs" for eligible activities to prevent a DOB.
Private Loan	A loan that is not provided by or guaranteed by a governmental entity, and that requires the CDBG-DR applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, e.g., the loan is not forgivable.
Subsidized Loan	Subsidized loans (including forgivable loans) are loans other than private loans. Both SBA and FEMA provide subsidized loans for disaster recovery.
Declined Loan	Loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds.

Cancelled Loan	The borrower has entered a loan agreement, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant.
DRRA Loan Exception	For DRRA qualifying disasters, i.e., major disasters or emergencies declared between January 1, 2016, and December 31, 2021, a subsidized loan is not a DOB when it is awarded before October 5, 2023, provided that all Federal assistance is used toward a loss suffered as a result of a major disaster or emergency.

When completing the DOB analysis, the following cover sheet and worksheet can be detached from the introduction and instructions provided above, but please keep in mind that the hyperlinks throughout the document to the DOB Terms and Concepts will no longer function as intended.

DOB ANALYSIS COVER SHEET – HOUSING REHABILITATION AND RECONSTRUCTION

CDBG-DR Activity/Program:

Applicant Name:

Applicant ID Number:

Case Manager Name(s):

Date Completed:

DOB ANALYSIS WORKSHEET – HOUSING REHABILITATION AND RECONSTRUCTION

Step 1: Assessing the Applicant's Total Need	Response
<p>What is the applicant's <u>total need</u>? Please list the total need in the space provided to the right.</p> <p><i>Grantees are encouraged to determine the applicant's total need and complete this worksheet at the point in time in which the grantee awards CDBG-DR funds to the applicant as the applicant's total need (e.g., construction cost estimates) can change over time.</i></p> <p>NOTE: If a grantee's approved CDBG-DR Action Plan permits reimbursement to beneficiaries, eligible costs of the CDBG-DR activity paid by the applicant should be calculated and awarded separately before calculating the total need for housing rehabilitation or reconstruction. For example, an applicant has incurred \$5,000 of eligible rehabilitation expenses. In addition, the applicant has \$130,000 of remaining need based on current construction cost estimates to finish rehabilitating the home. In this case, the applicant is eligible to receive a CDBG-DR reimbursement award of \$5,000, and the grantee must follow the DOB framework to calculate the CDBG-DR award for the remaining rehabilitation needs.</p>	<p>\$ _____</p>

Step 2: Identifying Total Assistance Available	Response
<p>1. Is <u>insurance</u> available to the applicant but not awarded (e.g., applicant is insured but has not submitted a claim, or insurer and applicant are in a dispute over the claim)? If the answer to this question is yes, complete the sub-question below. If the applicant received insurance proceeds, select "N/A" and continue to the next question.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>a. If known, list how much insurance is available to the applicant in the space provided to the right.</p>	<p>\$ _____</p>
<p>2. Did the applicant receive insurance proceeds? If yes, answer the sub-questions below. If the applicant did not receive insurance proceeds, select "no" and continue to the next question.</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>a. How much insurance is provided? List the amount of insurance in the space provided to the right.</p>	<p>\$ _____</p>
<p>b. What was the <u>purpose(s)</u> of the insurance? List the purpose(s) and the amount provided for each purpose below (e.g., structure, contents, temporary housing).</p>	
<p>3. Did the applicant receive <u>FEMA funds</u> or are FEMA funds available? If yes, answer the sub-questions below:</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>a. How much financial assistance is provided or available? List the amount of financial assistance in the space provided to the right.</p>	<p>\$ _____</p>

<p>b. What was the <u>purpose(s)</u> of the financial assistance? List the purpose(s) and the amount provided or available for each purpose below (e.g., temporary housing assistance, repair or replacement of owner-occupied homes).</p>		
<p>4. Did the applicant receive an SBA loan award or other <u>subsidized loan</u>? If yes, answer the sub-questions below:</p>		
<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>		
<p>a. Was the <u>loan declined</u>? If yes, <u>do not</u> include the amount of the loan in this section as available assistance and only attach a written certification from the applicant that the loan was declined if FEMA, SBA, or other sources of data do not indicate that the applicant declined the loan. If no, continue to the next question.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>	
<p>b. Was the <u>loan cancelled</u>? If yes, <u>do not</u> include any <u>undisbursed portion</u> of the loan in this section as available assistance and attach written communication from the applicant's lender or a legally binding agreement with the applicant demonstrating that the loan is cancelled and no longer available. If no, continue to the next question.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>	
<p>c. For disbursed portions of a loan that is for a <u>DRRA-covered disaster</u> (2016-2021 disasters), did the loan documents get signed before the DRRA loan exception sunset (October 5, 2023)? If the loan is not for a DRRA-covered disaster, select "N/A" and continue to question 4.d.</p> <p>NOTE: If a beneficiary received a subsidized loan for a <u>DRRA-covered disaster</u>, only those households that have entered into an agreement for assistance (signed by the homeowner and the lender, e.g., grantee, SBA, etc.) before October 5, 2023, are not a DOB under the DRRA loan exception, if the funds were used for a disaster-related purpose. <u>For more information on the DRRA loan exception, see FAQ.</u></p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>	
<p>i. If yes, did the applicant use the loan and all other Federal assistance for a disaster-related purpose? If the applicant used the disbursed portions of the loan and all Federal assistance for a disaster-related purpose, the disbursed portion of the loan is not a DOB. Attach applicant documentation showing how the funds were used and <u>do not</u> include this amount in this section as available assistance.</p> <p>If the answer is "no" to either question 4.c. or 4.c.i., complete the following sub-questions below:</p> <ul style="list-style-type: none"> If the loan documents were signed after the DRRA loan exception sunset (October 5, 2023) or the applicant did not use the loan for a disaster-related purpose, list the total subsidized loan proceeds that were provided to the applicant in the space to the right. <p>NOTE: This amount should normally <u>not</u> include disbursed declined loans and cancelled loans unless the applicant cannot provide sufficient documentation. Without the</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p> <p>\$ _____</p>	

<p>required documentation (as outlined above), all subsidized loans should be treated as available assistance.</p>	
<ul style="list-style-type: none"> ▪ What was the <u>purpose(s)</u> of the loan? List the purpose(s) and the amount provided for each purpose below. 	
<p>d. For disasters 2015 or earlier, or 2022 or later, for disbursed portions of a loan that would <u>not</u> be for a <u>DRRA-covered disaster</u>, list the total subsidized loan proceeds provided to the applicant in the space to the right. Continue to question 5 if the loan(s) is for a DRRA-covered disaster.</p> <p>NOTE: This amount should normally <u>not</u> include disbursed declined loans and cancelled loans unless the applicant cannot provide sufficient documentation. Without the required documentation (as outlined above), all subsidized loans should be treated as available assistance.</p>	\$ _____
<p>i. What was the <u>purpose(s)</u> of the loan? List the purpose(s) and the amount provided for each purpose below.</p>	
<p>5. Did the applicant receive other cash awards or forms of financial assistance or are any other sources available (e.g., financial assistance from a state program, local program, non-profits)? If yes, answer the sub-questions below:</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>a. How much financial assistance is provided or available? List the financial assistance in the space provided to the right.</p>	\$ _____
<p>b. What was the <u>purpose(s)</u> of the financial assistance? List the purpose(s) and the amount provided or available for each purpose below.</p>	
<p>Total Assistance:</p> <p><i>This value is the <u>sum</u> of all reasonably identifiable financial assistance provided or available to the applicant.</i></p>	= \$ _____

Step 3: Excluding Non-Duplicative Assistance	Response
<p>1. For any financial assistance identified in Step 2: Identifying Total Assistance Available, list the applicable amount of assistance that can be excluded by reviewing the sub-questions below. A grantee can exclude financial assistance for any “yes” responses:</p>	<input type="checkbox"/> N/A
<p>a. Was the assistance provided or available for a <u>different purpose</u> than the CDBG-DR funds and not used for the same purpose as the CDBG-DR funds?</p> <p>NOTE: The grantee must document compliance with DOB requirements. Grantees are encouraged to document compliance by attaching applicant documentation to this worksheet that shows all assistance provided or available to the applicant and the <u>purpose</u> of the assistance.</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No

<p>i. If the <u>insurance</u> proceeds were provided or available for a different purpose, list the total amount that can be excluded in the space provided to the right.</p>	<p>\$ _____</p>
<ul style="list-style-type: none"> ▪ When applicable, list the different purpose(s) and amount(s) provided or available for each purpose below. 	
<p>ii. If the <u>FEMA assistance</u> was provided or available for a different purpose, list the total amount that can be excluded in the space provided to the right.</p>	<p>\$ _____</p>
<ul style="list-style-type: none"> ▪ When applicable, list the different purpose(s) and amount(s) provided or available for each purpose below. 	
<p>iii. For any SBA or other <u>subsidized loan</u> proceeds included as available assistance in Step 2, list any amount that was provided for a different purpose and can be excluded in the space provided to the right.</p>	<p>\$ _____</p>
<ul style="list-style-type: none"> ▪ When applicable, list the different purpose(s) and amount(s) provided for each purpose below. 	
<p>iv. If any other assistance was provided or available for a different purpose, list the total amount that can be excluded in the space provided to the right.</p>	<p>\$ _____</p>
<ul style="list-style-type: none"> ▪ When applicable, list the different purpose(s) and amount(s) provided or available for each purpose below. 	
<p>b. Was the assistance provided for the same purpose as the CDBG-DR funds but used for a <u>different allowable use</u>?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p><u>NOTE:</u> Assistance provided for the same purpose as the CDBG-DR purpose (the CDBG-DR eligible activity) must be excluded when calculating the amount of the DOB if the applicant can document that the actual specific use of the assistance was an allowable use of that assistance and was different than the use (cost) of the CDBG-DR assistance. Therefore, the grantee must document compliance with DOB requirements. Grantees are encouraged to document compliance by attaching applicant documentation to this worksheet that shows all assistance provided or available to the applicant, the <u>purpose</u> of the assistance, and how/if the assistance was used by the applicant. If an applicant received assistance for the same purpose as the CDBG-DR funds but did not use the assistance for its intended purpose, the assistance is generally considered a DOB and is not excluded.</p>	
<p>i. If the <u>insurance</u> proceeds were used for a different allowable use, list the total amount that can be excluded in the space provided to the right.</p>	<p>\$ _____</p>
<ul style="list-style-type: none"> ▪ When applicable, list the different allowable uses(s) and the amount spent on each allowable use below. 	

ii. If the FEMA assistance was used for a different allowable use, list the total amount that can be excluded in the space provided to the right.	\$ _____
▪ When applicable, list the different allowable use(s) and the amount spent on each allowable use below.	
iii. For any SBA or other subsidized loan proceeds included as available assistance in Step 2, list any amount that was used for a different allowable use and can be excluded in the space provided to the right.	\$ _____
▪ When applicable, list the different allowable use(s) and the amount spent on each allowable use below.	
iv. If any other assistance was used for a different allowable use, list the total amount that can be excluded in the space provided to the right.	\$ _____
▪ When applicable, list the different allowable use(s) and the amount spent on each allowable use below.	
Total Exclusions (non-duplicative assistance): <i>This value is the <u>sum</u> of all assistance provided or available for a different purpose than the CDBG-DR funds and assistance provided for the same purpose as the CDBG-DR funds but used for a different allowable use.</i>	= \$ _____

Step 4: Identifying the DOB	Response
1. List the applicant's Total Assistance from Step 2 in the space provided to the right.	\$ _____
2. List the applicant's Total Exclusions from Step 3 in the space provided to the right and <u>subtract</u> this non-duplicative assistance to determine the Total DOB.	- \$ _____
Total DOB (duplicative assistance): <i>When determining the CDBG-DR award amount, this value represents the amount of duplicative assistance that would be received by the applicant in excess of the applicant's total need. This amount may also include any assistance received by the applicant that was provided for the same purpose as the CDBG-DR activity but was not used for its intended purpose.</i>	= \$ _____

Step 5: Calculating the Total CDBG-DR Award	Response
1. List the applicant's <u>Total Need</u> from Step 1 in the space provided to the right.	\$ _____
2. List the <u>Total DOB</u> amount from Step 4 in the space provided to the right and <u>subtract</u> this duplicative assistance from the applicant's total need to determine the maximum CDBG-DR award.	- \$ _____
<p>Maximum CDBG-DR Award (before considering the award cap and exceptions)</p> <p><i>The maximum CDBG-DR award amount is equivalent to the applicant's <u>unmet need</u>, but the final CDBG-DR award may need to be adjusted to account for the program's award cap, repayment of duplicative assistance, additional unmet needs, and other exceptions as outlined below.</i></p>	= \$ _____
<p><i>If the answers to the following questions are "no," the Final CDBG-DR Award amount will be the <u>same</u> as the Maximum CDBG-DR Award amount listed above.</i></p>	
<p>1. Award Cap: Is the Maximum CDBG-DR Award amount listed above greater than the program's award cap outlined in the grantee's Action Plan?</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<ul style="list-style-type: none"> ▪ If "yes," list the award cap in the space provided to the right, and the Final CDBG-DR Award amount below should be the <u>same</u> as the award cap (unless an exception applies). If "no," continue to the next question. 	\$ _____
<p>2. Exceptions: Grantees may find it necessary to provide exceptions on a case-by-case basis to the maximum amount of assistance and must follow the process that is described in its Action Plan to make such exceptions. A grantee must also make exceptions as necessary to comply with federal accessibility standards or to reasonably accommodate a person with disabilities.</p> <p>Was the applicant provided an exception? If "no," continue to the Final CDBG-DR Award.</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<ul style="list-style-type: none"> ▪ If "yes," list the total increase in the award amount due to the exception in the space provided to the right and <u>add</u> this amount to determine the Final CDBG-DR Award amount. 	\$ _____
<ul style="list-style-type: none"> ▪ If an exception applies, describe the reason(s) for the exception(s) below. 	
<p>Final CDBG-DR Award*</p>	= \$ _____

*Important considerations before awarding CDBG-DR assistance (continued – page 12)

- When necessary, grantees may need to reassess the applicant's unmet need.

- Although long-term recovery is a process, total need is calculated at points in time. As a result, a subsequent change in an applicant's circumstances can affect that applicant's remaining unmet need, meaning the need that was not met by CDBG-DR and other sources of assistance. Oftentimes, unmet need does not become apparent until after CDBG-DR assistance has been provided.
 - Examples may include: A subsequent disaster that causes further damage to a partially rehabilitated home or business; an increase in the cost of construction materials; vandalism; contractor fraud; or theft of materials.
- Unmet need may also change if other resources become available to pay for costs of the activity (such as FEMA or Army Corps), and reduce the need for CDBG-DR.
- To the extent that the original total need was not fully met or was exacerbated by factors beyond the control of the applicant, the grantee may provide additional CDBG-DR funds to meet the increased unmet need.
 - Grantees must be able to identify and document additional unmet need, for example, by completing a professional inspection to verify the revised estimate of costs to rehabilitate or reconstruct damaged property.
- Statutory Order of Assistance
 - In the event that FEMA or Army Corps assistance is awarded after the CDBG-DR funds are provided to the applicant to pay the same costs, it is the CDBG-DR grantee's responsibility to recapture CDBG-DR assistance that duplicates assistance from FEMA or the Army Corps.