



Please submit all completed forms to Bettie Norton (bnorton@road2ia.org)

CCB Form

(All Change Proposals received by noon each Tuesday will be reviewed
by the Change Control Board (CCB) which meets each Wednesday)

Date: 3/27/07 Initiator: Gary Clendenin; w/ State revisions Team/Dept: Home Evaluation
Tracking No.: 112 B E-mail: gclendenin@icfi.com Phone: 714-478-2690

Title of Proposed Change:

Eligibility Determination of Minimally-Damaged Manufactured Homes

Description of Change:

Current Policy: Based on current policy, all manufactured home applications are currently evaluated as Type 1 (Cost to Rebuild based on per square foot allowance). This is problematic in situations where the unit is not registered with FEMA because the program needs to be able to determine whether the unit sustained >\$5,200 in damage in order to determine the applicant's eligibility for the program.

Proposed Policy:

If homeowner did not register with FEMA, then to be considered eligible the structure must have sustained at least \$5,200 worth of damage from the storm as determined by *The Road Home* Home Evaluation. However, Home Evaluators have noted that some manufactured homes they evaluate appear to have suffered minimal damage (<\$5,200). In cases where home evaluators note a manufactured home incurred minimal damage, they make appropriate notes in the HDP software and complete a Type 1 evaluation. The Type 1 evaluation checklist does not allow the home evaluator to estimate the cost to *repair* the damage in these situations.

To ensure that only owners of eligible manufactured homes receive a Road Home award, the following policies will be followed:

1. If manufactured home is registered with FEMA and NEMIS database indicates 'major' or 'severe' damage, then the Type 1 Evaluation is used to establish Estimated Cost of Damage regardless of level of damage noted by Home Evaluator.
2. If manufactured home is registered with FEMA and NEMIS database does not indicate 'major' or 'severe' damage, home is not eligible for the program. This determination cannot be overridden by a home evaluation.
3. If manufactured home is not registered with FEMA and damage appears to be minimal or damage is repairable, both a Type 2 Evaluation and a Type 1 Evaluation are completed.
 - a. If Type 2 evaluation determines that home sustained equal to or more than \$5,200 in damage from the storm, then Type 1 evaluation is used to establish Estimated Cost of Damage
 - b. If Type 2 evaluation determines that home did not sustain equal to or more than \$5,200 in damage, then the manufactured home is not eligible for assistance from *The Road Home* Homeowner Assistance program.

This change does not require that all manufactured homes that have already been evaluated get a re-evaluation. The Home Evaluation Team will only re-evaluate and complete a Type 2 evaluation on those homes where there is no return from the FEMA NEMIS database on the unit's registration with FEMA.

Going forward, the Home Evaluator will complete a Type 1 and Type 2 evaluation of manufactured homes that are not found in the FEMA NEMIS database.

Pros of Change: By implementing the proposed change *The Road Home Program* will not be providing compensation to ineligible properties.

Cons of Change: No apparent cons.



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Impact of Change: The overall impact of this change is not thought to have any significant impact on the cost or schedule of *The Road Home Program*. There will, for sure, be some re-evaluations of manufactured homes using the Type 2 checklist, but this number is not expected to be very high. Additionally, the change may increase the number of appeals, especially for individuals that failed to realize that there was a minimum damage threshold that had to be met in order to be an eligible *Road Home* applicant.

Timing of Change: The change would be become effective upon date this CCB is approved.

Retroactivity of Change: This change, if approved, would be applicable to all applicants that have not gone to closing.

Reason(s) for Change Proposal: To ensure that only eligible manufactured home properties receive *Road Home* compensation.

CCB Decision: Date: 3.14.07 Approve Reject Put on Hold Elevate to Client

Implementation: *(All teams identified below to review and take appropriate actions. Any problems should be brought back to CCB for discussion and further guidance.)*

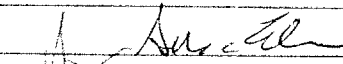

Impacted Team(s)	Action(s)	Due Date
<input type="checkbox"/> Administration		
<input type="checkbox"/> Call Center		
<input type="checkbox"/> Center Managers / Team Leads		
<input type="checkbox"/> Communications		
<input type="checkbox"/> Community Outreach		
<input type="checkbox"/> Compliance		
<input type="checkbox"/> Fraud Prevention		
<input type="checkbox"/> Hazard Mitigation		
<input checked="" type="checkbox"/> Homeowner Assistance		
<input checked="" type="checkbox"/> Home Evaluation / Inspection		
<input type="checkbox"/> Logistics / Facility / Security		
<input checked="" type="checkbox"/> MIS / Technical		
<input checked="" type="checkbox"/> Policy & Planning		
<input type="checkbox"/> PMO		
<input type="checkbox"/> Production		
<input type="checkbox"/> Public Information Office		
<input type="checkbox"/> QA / QC		
<input type="checkbox"/> Small Rental		
<input type="checkbox"/> Special Needs		



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<input type="checkbox"/> Training		
<input type="checkbox"/> Other (Specify lead responsibility)		
Client	Signature	Date
Suzie Elkins, OCD		7-30-07
Andy Kopplin LRA		



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Date: 4/24/07 Initiator: Mike Spletto ; Team/Dept: OCD
Tracking No.: 122 B Mail: mike.spletto@la.gov ; Phone: 225-219-0749

Title of Proposed Change:

Amendments to Covenants and Lump Sum Disbursal of Grant Funds to Homeowners choosing Option 1

Description: New policy allows homeowners choosing Option 1 to directly receive their funding award in a lump sum instead of placing funds in a joint disbursement account with a third-party disbursement agent (for homeowners without mortgages) or placing funds in a joint disbursement account with their lender (for homeowners with mortgages). To implement the new policy, some of the closing documents have been amended to allow for lump sum disbursement. The effective date for the covenant has been changed to begin at the date of closing. Due to the more lenient covenant requirements, the penalty for non-compliance with the covenants is strengthened by changing the grant and loans from being forgivable over the term of the covenant on a pro rata basis to not being forgiven until the last date of compliance. The requirement for occupying the property as the primary residence has been added to the Program Grant Agreement and the Affordable Compensation Loan (now called the Additional Compensation Grant) is now just part of the regular compensation grant.

Current policy: The current Declaration of Covenants goes into effect on the date the Certificate of Final Disbursement is recorded. When the Certificate of Final Disbursement is recorded:

- The clock starts on the 3 year owner occupancy requirement
- Homeowner is required to carry hazard insurance
- Homeowner is required to carry flood insurance in perpetuity or for maximum period permitted by law if located in a Special Flood Hazard Area
- Homeowner is required to be in compliance with building codes
- For homeowners receiving an Affordable Compensation Loan, the clock starts on the 5 year owner occupancy requirement

Currently, the documents used for these homeowners include:

- Closing Sub Escrow Disbursement Agreement (Closing Statement)
- Declaration of Covenants
- Affordable Loan Rider (if applicable)
- Elevation Rider (if applicable)
- Affordable Loan Promissory Note
- Program Grant Agreement
- Grant Affidavit
- Subrogation Agreement
- Disbursement Agreement (for homeowners with mortgages)
- Certificate of Final Disbursement

New policy: The proposed change eliminates the *Certificate of Final Disbursement* and revises the Declaration of Covenants. The Declaration of Covenants is effective the date of the closing on the grant and homeowner must be in compliance with the terms of the covenant within 3 years from date of closing. The terms of the covenant stipulate that the property must:

- Owner occupied within three years from the date of closing.
- Be insured for hazards once the HO occupies the unit for a period of three years after the closing date.
- Be insured for floods in perpetuity (or for maximum period permitted by law) if property is located in a Special Flood Hazard Area
- Repaired or rebuilt in compliance with building codes



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There is no longer 5 year owner occupancy requirement for homeowners who receive Affordable Compensation Loan (now called Additional Compensation Grant).

New documents to be signed are:

- Closing Sub Escrow Disbursement Agreement (Closing Statement)
- Declaration of Covenants
- Elevation rider (if applicable)
- Program Grant Agreement
- Grant Affidavit
- Subrogation Agreement
- Lender Disbursement Acknowledgment Form

Effective Date of New Policy:

Homeowners without mortgages choosing Option 1 began receiving lump sum disbursements under the revised terms of the covenant and grant agreement on April 2, 2007. NOTE: The revised Declaration of Covenants for Homeowners closing after April 2 and before the approval and implementation of this CCB signed a revised Declaration of Covenants that included all of the above changes *except* the stipulation to rebuild in compliance with building codes.

Homeowners with mortgages choosing Option 1 began receiving lump sum disbursements under the revised terms of the covenant and grant agreement on April 11, 2007. NOTE: The revised Declaration of Covenants for Homeowners closing after April 11 and before the approval and implementation of this CCB signed a revised Declaration of Covenants that included all of the above changes *except* the stipulation to rebuild in compliance with building codes.

Risks:

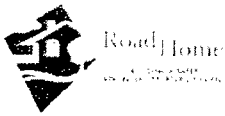
- The time available for the program to fix errors or identify fraud post-closing disappears. This is particularly important given the prior decision to allow closings without full verification of all data elements which are used to calculate the grant amount, and the results of pre-closing quality assurance reviews which indicate not insignificant number of applications with incorrect data which affect calculation of benefit. Whatever minimal gains in time to close will be lost to delays in verifying all info prior to closing
- The ability of the program to recoup funds from the disbursement account due to error or fraud disappears.
- Expedited closings increase the possibility that error or fraud will not be detected due to lack of time for review of applications and data.
- Increased risk that the applicant will not use the funds to rebuild or repair the damaged residence.
- Mortgage foreclosures will increase as mortgage holders have less confidence that grant money will be used to repair/rebuild home.

Reason(s) for Change Proposal:

To reflect recent policy changes with respect to lump sum disbursement of funds.

Budget Impact:

- Additional legal costs for revising closing documents
- Increased costs of recording new covenants for homeowners who already closed



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- Increased mailing costs to send information to homeowners who already closed
- Costs of redoing website and communications materials and costs of throwing out already printed materials

CCB Decision: Date: 4.11.07 Approve Reject Put on Hold Elevate to Client

Implementation: (All teams identified below to review and take appropriate actions. Any problems should be brought back to CCB for discussion and further guidance.)

Impacted Team(s)	Action(s)	Due Date
<input checked="" type="checkbox"/> Administration		
<input type="checkbox"/> Call Center		
<input checked="" type="checkbox"/> Closing Team / First American		
<input checked="" type="checkbox"/> Communications		
<input checked="" type="checkbox"/> Community Outreach		
<input type="checkbox"/> Compliance		
<input type="checkbox"/> Fraud Prevention		
<input type="checkbox"/> Hazard Mitigation		
<input checked="" type="checkbox"/> Homeowner Assistance		
<input type="checkbox"/> Home Evaluation / Inspection		
<input type="checkbox"/> Logistics / Facility / Security		
<input type="checkbox"/> MIS / Technical		
<input checked="" type="checkbox"/> Policy & Planning		
<input type="checkbox"/> PMO		
<input type="checkbox"/> Production		
<input checked="" type="checkbox"/> Public Information Office		
<input type="checkbox"/> QA / QC		
<input type="checkbox"/> Small Rental		
<input type="checkbox"/> Special Needs		
<input checked="" type="checkbox"/> Training		
<input type="checkbox"/> Other (Specify lead responsibility)		

Client	Signature	Date
Suzie Elkins, OCD		5/1/07
Andy Kopplin, LRA		