



Please submit all completed forms to Brandy Bones (bbones@icfi.com)

### CCB Form

Date: 8.16.07  
Tracking No.: CP 190  
 Rental  Owner

Initiated by:  OCD  LRA  
**APPROVED**

OCD and LRA  Road Home  
Team/Dept: Homeowner  
Category: Implementation

**Description:** *(Give a high level summary)*

Currently Road Home customers who elect Option 2 and who do not have a replacement home may receive an award equal to their Option 3 amount. When they provide evidence of a replacement home they are eligible to receive the balance of their Road Home grant and must sign a Road Home grant agreement that among others things requires continued owner occupancy for three years and maintenance of insurance on a replacement home in the State of Louisiana.

This change permits homeowners who elect Option 2 but who have not selected a replacement home to receive their full Option 2 award. Homeowners will sign a personal obligation statement requiring them to own and occupy a new home in the state of Louisiana within 3 years, to notify the state when this obligation has been fulfilled, and to forfeit the difference between the total award they would have received under Option 3 versus the award they received under Option 2, plus interest, if they fail to meet their obligations.

**Reason(s) for Change Proposal:**

Expedite and simplify closing process. Allow homeowners who would not receive sufficient compensation by choosing option 2 and receiving the option 3 amounts to pay off their existing mortgage. According to ICF and title companies, a high percentage of homeowners who are choosing option 2 and only get their option 3 amounts do not receive enough compensation to close on their existing mortgage. If they can not close on their existing mortgage, the Road Home can not take ownership of their property to close the Road Home process.

**Program and Budget Impact:**

- Assuming that all customers who elected Option 2 but did not have a replacement home at the time of closing successfully purchased a new home, there is no impact on the value of awards.
- More people may elect Option 2 to get the extra money and take risk that State won't enforce or be able to enforce the requirements. This could increase average award amount. However, as it is now, a low percentage of cases are choosing Option 3 at this time.
- More people may elect to sell their home to Road Home Corporation because amount of Option 2 award will be attractive. With a lesser requirement for evidence of in-state occupancy up front, they may also take the risk that State won't choose or be able to enforce the requirements.
- There is potential cost saving to the Road Home operations because the number of second closings will be reduced. However, this may be partially offset by increased costs of compliance monitoring.

**Risks (as applicable):**

- Customers receiving their full award may never fulfill their obligation to become an owner occupant in the state
- The state may have a difficult time recovering grant funds that were paid to customers who fail to meet their obligation because the customers will have no assets to recover or the State will not be able to find them to obtain payment
- Because of public perceptions and popular opinion, recovery from grantees that do not meet their obligations will be particularly difficult from elderly homeowners (who elect Option 2 because they wish to receive the additional compensation grant).



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**CCB Action:**

If RH initiated: Date \_\_\_\_\_  Approve  Reject  Make Revisions  Elevate to Client  
 If other initiated: Date \_\_\_\_\_  Concur  Recommend Changes  \_\_\_\_\_ (Other)

**CCB Notes/Recommended Changes (as applicable)**

**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		
X Call Center		
X Closing Agents		
X Communications		
X Community Outreach		
X Compliance/Post Closing		
X Fraud Prevention		
X Homeowner Assistance		
<input type="checkbox"/> Home Evaluation / Inspection		
<input type="checkbox"/> Logistics / Facility / Security		
X MIS / IT		
X Policy		
X Pre-closing		
<input type="checkbox"/> QA / QC		
<input type="checkbox"/> Small Rental		
<input type="checkbox"/> Special Needs		
X Training		
<input type="checkbox"/> Other (Specify lead responsibility)		

**OCD/LRA Decision:** Date: \_\_\_\_\_  Approve  Reject  Make Revisions

Client	Signature	Date
Andy Kopplin, LRA		8/16/07
Suzie Elkins, OCD		8/17/07

**Client Notes:**