

**MISSISSIPPI DEVELOPMENT AUTHORITY (MDA)
HOMEOWNER ASSISTANCE PROGRAM**

**AMENDED
GUIDELINES**

The HOMEOWNER ASSISTANCE PROGRAM is designed to provide compensation grants to eligible homeowners who suffered flood damage to their primary residence from Hurricane Katrina and is funded with federal Community Development Block Grant (CDBG) funds allocated in the Fiscal Year 2006 Department of Defense Appropriations Act (H.R. 2863). The Mississippi Development Authority (MDA) is designated by the Governor of Mississippi to administer these funds. A Partial Action Plan has been made available for public comment and has been approved by the U.S. Department of Housing and Urban Development (HUD) and said Plan is the basis for these Guidelines which are promulgated and adopted by MDA pursuant to the Mississippi Administrative Procedures Law, Section 25-43-1.101, et seq., Mississippi Code of 1972, as amended. The Plan has been subject to certain Technical Modifications posted on the MDA website and also further delineated by properly approved Policy Decisions, contained in the MDA Policy and Procedures Manual. The HAP currently consists of two distinct phases.

ELIGIBILITY REQUIREMENTS:

For Phase I and II:	P I	P II
1. Applicant must have been the homeowner as of August 29, 2005.	X	X
2. Home must have been the Applicant's primary residence on August 29, 2005.	X	X
3. Home must be located in Harrison, Hancock, Jackson or Pearl River County, Mississippi.	X	X
4. Home received flood surge damage due to Hurricane Katrina.	X	X
5. Location of home was outside the pre-Katrina designated flood zone (FEMA designated 100 year flood zone) on August 29, 2005.	X	
6. Applicant maintained a homeowners, flood, or wind insurance policy that insured structural damage on the home, as of August 29, 2005.	X	
7. Household income must be at or below 120% of the Area Median Income.		X
8. Only one application per home is allowed.	X	X

ADDITIONAL ELIGIBILITY CONSIDERATIONS:

1. Applicants who suffered a loss may qualify under the program even though:
 - a. They sold their home prior to this program, or it is currently under a contract for purchase.
 - b. Their home is a condominium.
 - c. Their residence is classified as an LLC or an estate property.

2. Applicants who have completed or started repairs to their damaged home may qualify under this program.
3. Applicants will be required to sign a Consent and Release Form with regard to information needed for determining grant eligibility and calculation amounts.

Phase I eligibility is further defined in the applicable Partial Action Plans and Modifications, including, but not limited to:

1. Initial Action Plan – Public Comment Version
2. Initial Action Plan – Final Version
3. Modification # 1 (Technical)
4. Modification # 2 (Technical)
5. Modification # 3 (Technical)
6. Modification # 5 (Technical)
7. Modification #6 (Technical)
7. Modification # 7 (Technical)
8. And any subsequent modifications.

Phase II eligibility is further defined in the applicable Partial Action Plans and Modifications, including, but not limited to:

1. Modification #4 (Substantial) Phase II – Public Comment Version
2. Modification #4 (Substantial) Phase II – Final Version (includes public comments)
3. And any subsequent modifications.

PROVISIONS FOR RECEIVING A GRANT

(For Phase 1 and 2, unless otherwise noted)

1. Applicants agree to the Appeal procedure set out hereinafter.
2. Homeowner(s) understands and agrees that a covenant will be placed on the damaged property, providing that flood insurance will be maintained in perpetuity, all rebuilding and repairs must be in accordance with applicable codes and ordinances, if rebuilt, the damaged home must be elevated in accordance with FEMA recommended flood elevations and if manufactured housing is placed on the property, it must comply with HUD's Federal Manufactured Housing Code and be elevated in accordance with FEMA recommended flood levels.
3. Homeowner(s) understands and agrees to sign a subrogation agreement, which assigns to the State of Mississippi the applicant(s)' rights to certain past, current and future insurance proceeds not included in the Insurance Proceeds section of the Grant Calculation.
4. Homeowner(s) acknowledges that if his or her lender has elected to participate in the grant program, the distribution of the grant proceeds will be handled by the lender for homeowner(s) and the check for the grant proceeds will be made payable to both the homeowner(s) and the lender.
5. Homeowner(s) agrees to timely endorse the check and forward to the lender.
6. Homeowner(s) acknowledges that before paying the balance of the grant proceeds to the homeowner(s), the lender will use the proceeds to pay (1) any past due installments owing on the homeowner(s) mortgage loan with lender, and (2) any ad valorem taxes due and owing on the property.

7. Among those, but not limited thereto, applicants will be required to agree to certification as to truth of all information submitted by applicant,
8. Homeowner(s) understands and agrees to attend Financial Counseling (Program 2 only).

PHASE I GRANT CALCULATION:

1. Homeowners will be subject to an on-site inspection by an MDA Damage Assessor who will provide an estimate of the percent of damage to the home and total cost to repair the home as a result of Hurricane Katrina.
2. The damaged amount, or total loss, of the home is the starting value of the grant calculation. This is equal to the greatest of: a) the percent of damage applied to the adjusted insured value of the home (adjusted means the insured value, increased by a 35% inflationary modifier), b) an SBA damage assessment, or c) the cost to repair calculation by the onsite inspection, not to exceed 135% of the insured value.
3. The grant award will be reduced by any FEMA grants received which represent a duplication of benefits and insurance proceeds received.
4. After reductions, the maximum grant award will be \$150,000.
5. The net grant amount paid to the applicant will be less payoffs for SBA loans identified by SBA as a duplication of benefit, MESC liens, and ad valorem and state income tax liens.

PHASE II GRANT CALCULATION:

1. Homeowners will be subject to an on-site inspection by an MDA Damage Assessor who will provide an estimate of the percent of damage to the home as a result of Hurricane Katrina.
2. The damaged amount, or total loss, of the home is the starting value of the grant calculation. This is equal to the greatest of: a) an SBA damage assessment, or b) the cost to repair calculation by the onsite inspection.
3. The grant award will be reduced by any FEMA grants which represent a duplication of benefits, along with any insurance proceeds and Phase I net grant proceeds received (if applicable).
4. The grant amount is equal to 100% of the uncompensated damage for homeowners who maintained homeowner's, wind, or flood insurance, or for homeowners who meet the special needs criteria. Otherwise, it is equal to 70% of the uncompensated damage amount.
5. The maximum grant amount for Phase II will be \$100,000. Additionally, the maximum grant for those individuals who qualify for both programs is equal to \$150,000.
6. The final grant amount paid to the applicant will be the Grant Amount less payoffs for SBA Loans identified by SBA as a duplication of benefits, MESC liens, and ad valorem and state income tax liens.

SPECIAL PROVISIONS:

1. MDA may contract with private individuals or companies to perform some of the duties and responsibilities of this program.
2. Any private contractor will be required to comply with these guidelines, all State and Federal laws and regulations in performing any part of the implementation of this program.

3. Applicant(s) who received a grant but were later determined ineligible may be required to reimburse the State for the amount equal to the grant award.

APPEALS:

1. Disputes involving program ineligibility, policy compliance, or grant amounts greater than \$500 may be appealed by applicants by giving notice in writing within sixty (60) days of receipt of said decision. Program requirements established by MDA and approved by the Housing and Urban Development Authority as dictated by law may not be waived.
2. Appeals must be written and state with specificity the basis for the applicant's dispute. Applicants are instructed to send appeals to Mississippi Development Authority, c/o Reznick Mississippi LLC, – Attention: APPEALS, P.O. Box 66, Clinton, MS 39060-0066.
3. The written appeal must contain the applicant's name, application number, social security number, current mailing address, and damaged residence address.
4. Applicants can withdraw their appeal at any time. MDA must receive written notice from applicants or provide written notice to applicants to confirm that their appeal is withdrawn.
5. MDA's first goal is to resolve the dispute with the applicant. For resolving disputes, applicants' files will be investigated in order to resolve the basis for the appeal. Investigations are processed on a case-by-case manner and can include (but are not limited to): the consideration of all supporting information provided by the applicant; the request of data from alternative sources; the request that 3rd parties confirm the accuracy of the original data provided; the execution of affidavits so applicants can legally attest to information and data. If resolved, MDA will obtain written confirmation from the applicant noting their appeal is withdrawn.
6. If MDA cannot resolve the applicant's dispute, MDA must promptly forward the appeal to the Mississippi Development Authority Appeals Board (Appeals Board) with a written explanation of the appellant's case, including a recommendation for the decision. Accompanying this will be a copy of the complete application file, an appeal file, copies of correspondence with the applicant, and any additional supporting documentation.
7. The Appeals Board may request additional information from applicant or MDA and may remand the matter on appeal to MDA for additional findings or determinations.
8. The Appeals Board will issue an opinion which may affirm, modify or reverse the decision of MDA on appeal.
9. The opinion of the Appeals Board will be in writing, based upon the facts and documentation presented by both the applicant and the MDA, and shall be submitted to the Executive Director of MDA or designee for further review and final decision.
10. The Decision of the Executive Director or designee is final with no further administrative review and is not subject judicial review. The Executive Director or designee may request additional information from applicant or MDA if clarification is required.
11. The final decision of the Executive Director or designee will be in writing and sent by regular mail to the current address of the applicant. The Executive Director or designee will also provide a copy of the opinion to MDA.

I, Gray Swoope, Executive Director of the Mississippi Development Authority, pursuant to Section 57-1-11, Mississippi Code Ann., do hereby promulgate and authorize for filing, pursuant to the Administrative Procedures Act, the AMENDED GUIDELINES for administering the Katrina Homeowner's Grant Program Appeal Process by the Katrina Recovery Division, a division of the Mississippi Development Authority.

This the _____ day of May, 2007.

Gray Swoope