

**MISSISSIPPI DEVELOPMENT AUTHORITY
HOMEOWNER ASSISTANCE PROGRAM**

G U I D E L I N E S

**MISSISSIPPI DEVELOPMENT AUTHORITY (MDA)
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GUIDELINES

The HOMEOWNER ASSISTANCE PROGRAM is designed for making one-time grants to eligible homeowners who suffered flood damage to their primary residence from Hurricane Katrina. The Program is funded with federal Community Development Block Grant (CDBG) funds allocated in the fiscal year 2006 Department of Defense Appropriations Act (H.R. 2863). These monies have been designated for "disaster relief, long-term recovery and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005." The Mississippi Development Authority (MDA), which already administers the State's CDBG Program funds provided by the federal government each year, has been designated by the Governor of Mississippi to administer Mississippi's share of the Katrina CDBG 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.

MDA finds that imminent peril to the public health, safety and welfare of the citizens of a portion of Mississippi requires adoption of these guidelines upon fewer than twenty-five (25) days notice and the reasons therefore are that the Mississippi Gulf Coast suffered damage and destruction from Hurricane Katrina and many people lost or suffered extensive damage to their homes and are still unable to reside therein leaving said persons in trailers and tents and without adequate water and utilities or even forced to remain away from the gulf coast until such time as it is possible to secure repairs or to rebuild said homes. Therefore, under the authority of Section 25-43-3.108 and 25-43-3.113, Mississippi Code of 1972, these guidelines immediately upon filing with the Secretary of State will become effective and MDA will administer this program subject to said guidelines.

ELIGIBILITY REQUIREMENTS:

1. Applicant must have owned and occupied the residence as of August 29, 2005.
2. Home must have been the Applicant's primary residence on August 29, 2005.
3. Home must be located in Harrison, Hancock, Jackson or Pearl River County, Mississippi.
4. Applicant maintained homeowners insurance on the home.
5. Location of home was outside the pre-Katrina designated flood zone (FEMA designated 100 year flood zone) on August 29, 2005 and flooded as a result of Hurricane Katrina.

6. Only one application per home is allowed.
9. Homeowner must meet all of the above requirements to qualify.

OTHER ELIGIBILITY CONDITIONS:

1. Applicant who meets Eligibility Requirements above but sold home prior to this program and can establish that there still exist a loss situation may qualify under this program. Such an applicant is encouraged to apply for grant assistance. Upon submission of historical proof of cost of home, amount of all insurance and FEMA proceeds on structure and amount of sales price, each claim will be evaluated individually. If MDA can confirm that Applicant is still in a loss situation, Applicant may be eligible for a grant.
2. Applicant who has completed or started repairs to home may participate in this Program. Applicant must meet all Eligibility Requirements set out above and must submit valid receipts for work done.

CONDITIONS FOR RECEIVING GRANTS:

1. Each applicant will be required to agree to the Appeal procedure set out hereinafter.
2. Each successful applicant will be required to place a covenant to run with the land on the damaged property which provides for compliance with building codes, local ordinances, flood insurance and elevation requirements.
3. If rebuilding, home must be elevated in accordance with FEMA Advisory Flood Levels.
4. If replacement housing is manufactured housing, it must comply with HUD's Manufactured Housing Code and be elevated in accordance with FEMA Advisory Flood Levels.
5. If repairs have already been made, Applicant must provide confirmation that repairs have been made in accordance with applicable codes and ordinances consistent with the Covenant.

ASSESSMENT OF DAMAGES:

1. Homes totally destroyed will be assigned the pre-Katrina insured value or \$150,000, whichever amount is less.
2. All other homes will be subject to an on-site inspection by an MDA Damage Assessor to provide an estimate of the percent of damage to the home as a result of Hurricane Katrina.
3. This assessment will include 100% of damage from the storm, whatever the type.
4. FEMA or SBA damage assessments may be used in some cases, if available.
5. The percent of damage will be applied to the insured value of the home to determine the grant amount up to a maximum of \$150,000.

DISBURSEMENT OF GRANTS:

1. After eligibility and grant amount are determined, applicant will be required to execute or deliver a number of closing documents.
2. Among those, but not limited thereto, will be (a) certification as to truth of all information submitted by applicant (b) waiver of all claims against state and federal government (c) assignment of all pending insurance claims equal to grant amount (d) Subordination by all lien holders and (e) proof of identity.
3. For the benefit of applicants, grant funds may be disbursed through third parties but the management and use of the net proceeds of the grant are at the discretion of the applicant, as allowed by State and Federal law.

APPEALS:

1. Any dispute involving an amount of \$10,000 or more may be appealed by applicant by giving notice in writing to Mississippi Development Authority at c/o Reznick Mississippi LLC, 16 Line Road #200-111, Jackson, MS 39211-1832 within thirty (30) days of receipt of said decision.
2. The written appeal must state with specificity the disagreement of applicant with MDA's decision and must include all documentation to support the applicant's position.
3. The written appeal must contain the homeowner's name and current mailing address, homeowner's social security number street address of damaged residence, and assigned application number.
4. MDA must promptly forward the written appeal and documentation, together with a copy of the complete application file and written explanation of MDA's position, to the Mississippi Development Authority Appeals Board (Appeals Board).
5. The Appeals Board may request additional information from applicant or MDA.
6. The Appeals Board will issue an opinion which may affirm, modify or reverse the decision of MDA on appeal.
7. The Appeal Board may remand the matter on appeal to MDA for additional findings or determinations.
8. The Appeals Board's opinion will be in writing and will be sent by regular mail to the current address of the applicant.
9. The decision of the Appeal Board is final with no further administrative review and is not subject to judicial review.

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. Due to the unprecedented nature and scope of the damage caused by Hurricane Katrina, most of the applications to be expected under this program will be accepted prior to disbursing any funds to ensure that total funds are sufficient to meet demand.
4. The grant limit of \$150,000 may be adjusted downward if the total amount of eligible

grants exceeds the total dollars available to this program.