



Issue Date March 10, 2010

Audit Report Number 2010-KC-1001

TO: Scott G. Davis, Director, Disaster Recovery and Special
Issues Division, DGBD

FROM: //signed//
Ronald J. Hosking, Regional Inspector General for Audit, 7AGA

SUBJECT: The State of Iowa Misspent Community Development Block Grant Disaster
Assistance Funds and Failed To Check for Duplicate Benefits

HIGHLIGHTS

What We Audited and Why

We audited the State of Iowa's (State) Jumpstart Business Assistance (Jumpstart) program. We reviewed 432 grants provided to the City of Cedar Rapids (City). Our audit objective was to determine whether the State ensured that the City provided Jumpstart funds to only eligible businesses and that these businesses did not receive duplicate Federal benefits.

We audited the State because it received \$799 million in disaster funding from the U.S. Department of Housing and Urban Development (HUD). The funding was comprised of \$282 million through the Community Development Block Grant (CDBG) program in 2008 and an additional \$517 million in disaster aid in 2009 to help it recover from the floods of 2008.

What We Found

The State misspent more than \$10.5 million of its CDBG disaster funding and failed to check for duplicate benefits before awarding the funds. It provided Jumpstart disaster assistance funds to 305 of 406 businesses without supporting their eligibility for funding. It also failed to verify that the 406 Jumpstart recipients did not receive duplicate benefits through any other program, insurance, or source before awarding the disaster assistance funds.

What We Recommend

We recommend that the Director, Disaster Recovery and Special Issues Division, require the State to (1) provide documentation to support that \$10.5 million in disaster assistance funds was paid to businesses in accordance with Iowa State law or reimburse the CDBG program from non-Federal sources for amounts that it cannot support and (2) perform oversight and monitoring of the disaster recovery activities in a timely manner. We also recommend that the Director require the State to perform a duplication of benefits check on all 406 businesses that received Jumpstart funds to ensure compliance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act and repay any amounts that are found to have been duplicated.

For each recommendation without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-3. Please furnish us copies of any correspondence or directives issued because of the audit.

Auditee's Response

We provided the draft report to the State on January 22, 2010, and requested a response by February 5, 2010. The State provided written comments on February 5, 2010, and disagreed with finding 1 but agreed with finding 2.

The complete text of the auditee's response, along with our evaluation of that response, can be found in appendix B of this report.

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BACKGROUND AND OBJECTIVE

On May 27, 2008, the Federal Emergency Management Agency (FEMA) declared various counties in the State of Iowa (State) as disaster areas as a result of severe storms and flooding. The disaster declaration allowed those counties to receive Federal aid from FEMA, the Small Business Administration (SBA), and the U.S. Army Corps of Engineers.

In the late spring and early summer of 2008, the State suffered a series of tornados, followed by massive floods. In some cases, the same community was hit by both events. Among the larger communities, Cedar Rapids, Iowa's second largest city, was especially hard hit. An estimated 2,400 businesses were damaged physically, and more than 3,000 others suffered economic losses.

The State was awarded \$282 million in disaster funding through the Community Development Block Grant (CDBG) program in 2008 and an additional \$517 million in disaster aid in 2009 to help it recover from the floods, bringing the State's total disaster funding to \$799 million. As of September 30, 2009, the State had spent nearly \$31 million of these funds, of which nearly \$14.9 million was for the City of Cedar Rapids' (City) Jumpstart Business Assistance (Jumpstart) program.

The Iowa Department of Economic Development (Department) was tasked with administering the disaster recovery activities of the State. The Department's mission is to enhance economic development of the State and provide for job creation and increased prosperity and opportunities for the citizens of the State by providing direct financial and technical assistance and training to businesses and individuals and coordinating other State, local, and Federal economic development programs. The Department has a nine-member voting board appointed by the governor and seven ex-officio nonvoting members and is administered by an executive director appointed by the governor.

The Department contracted with the City to administer the Jumpstart program. The City in turn subcontracted the administration of Jumpstart to the local chamber of commerce. The Jumpstart program was meant to provide financial assistance to businesses suffering physical damage or economic loss due to the disasters that had been approved for and received a disaster loan from an eligible lender. The financial assistance offered was a loan that would be forgiven if the business reopened within 12 months of the award date. The maximum amount of assistance provided to a business was 25 percent of the disaster loan from an eligible lender, up to \$50,000.

Our objective was to determine whether the State ensured that the City provided Jumpstart funds to only eligible businesses and that these businesses did not receive duplicate Federal benefits.

RESULTS OF AUDIT

Finding 1: The State Provided Disaster Assistance Funds to Businesses Without Supporting Their Eligibility for Funding

The State provided Jumpstart disaster assistance funds to 305 of 406 businesses without supporting their eligibility for funding. This condition occurred because the State failed to monitor the Jumpstart program and misinterpreted State law. As a result, it misspent more than \$10.5 million of its CDBG disaster funding.

Through the Jumpstart program, the State provided disaster assistance funds to 305 of 406 businesses without supporting their eligibility for funding. Appendix C contains a schedule of the deficiencies identified in each of the 305 loans.

Businesses Without Executed Loan Documents

The Department provided forgivable loans (grants) to 305 businesses that did not document the receipt of disaster loans from eligible lenders as evidenced by executed loan documents or loan disbursement. Iowa State law and the U.S. Department of Housing and Urban Development (HUD)-approved action plan specify that to be eligible for disaster assistance funds, a business must have received a disaster loan. Specifically, the law requires the submission of executed loan documents.

For example, for application #793, the City obtained only verbal confirmation of a disaster loan for \$100,000 rather than written confirmation. In the case of application #791, the City failed to obtain loan documentation to support \$50,000 in grants provided to the business. In applications #667, #715, #717, #815, and others, the businesses provided only loan authorization documents and not the actual executed promissory note or loan agreement as required by State law. In applications #1014 and #1082, two related entities used the same loan document to secure \$100,000 (\$50,000 each) in grants.

Businesses That Incorporated After the Flood

The Department provided grants to two businesses that incorporated after the floods of 2008, applications #1190 and #1081. Iowa State law and the HUD-approved action plan specify that to be eligible for disaster assistance funds, a business must have sustained damage or loss due to the 2008 disasters. The floods occurred in

May 2008; however, the business submitting application #1190 incorporated in September 2008, and the business submitting application #1081 incorporated in October 2008.

Grants Greater Than 25 Percent of Bank Loan Amount

The Department provided grants to two businesses that were greater than 25 percent of the loan documentation submitted. Iowa State law and the HUD-approved action plan specify that disaster assistance is limited to 25 percent of the disaster loan received, up to a maximum of \$50,000.

For application #561, the Department provided \$50,000 in grants to the business when it documented only \$177,700 in bank loans, which would result in an allowable maximum grant amount of \$44,425. For application #965, the Department provided \$40,000 in grants to the business when it documented only \$40,000 in bank loans, which would result in an allowable maximum grant amount of \$10,000.

Grants Based on Mortgages

The Department provided grants to two businesses based on mortgage documentation rather than disaster loans, contrary to the requirements.

For example, in applications #983, #1078, #1079, and #1080, the Department provided \$12,500 in grants to each borrower participating in the same business and that provided the same mortgage approval document for \$200,000. In the case of application #1145, it provided \$50,000 in grants to a borrower that produced executed loan documents for the purchase of a \$500,500 building.

Lack of On-Site Monitoring

The Department failed to perform on-site monitoring of the Jumpstart business assistance program. It admitted that it failed to perform on-site monitoring of the Jumpstart program and added that it was implementing procedures for monitoring its business programs.

The Department also explained that its staff was not experienced in monitoring CDBG business programs. It had two staff members that handled business programs, but one of them left and was replaced by someone who was transferred from another unit to assist. Because the Department did not monitor the program, it was not aware of the problems in the administration of the program. For

example, the Department incorrectly thought that the City required the submission of Internal Revenue Service Federal tax returns and Schedule Cs (Form 1040) by sole proprietorships that received assistance.

Violation of State Law and HUD Action Plan

The Department believed that State law did not intend for disaster loans to be accepted by or disbursed to Jumpstart recipients before these recipients were eligible for Jumpstart disaster assistance. It erroneously interpreted Iowa Administrative Code, section 261, chapter 78, and the HUD-approved action plan. The Department’s position was that the offer of a loan by an eligible lender provided sufficient evidence of appropriate due diligence. However, the law clearly states that businesses must have executed loan documents to obtain Jumpstart funds equal to 25 percent of the loan received. Further, the Department told us that it had advised the City that it did not require executed loan documents. Appendix D contains a description of the criteria.

CDBG Funds Misspent

As a result of the conditions described above, the Department misspent more than \$10.5 million of its CDBG disaster funding. The following table summarizes the material deficiencies identified.

Categories of deficiencies	Number of businesses	Amount awarded
Lack of executed loan documents	292	\$10,180,226
Lack of loan documentation	2	\$100,000
Business incorporated after flood	2	\$7,070
Grants greater than 25% of bank loan	2	\$45,575
Grants based on mortgage	5	\$100,000
Same loan document used for two businesses	2	\$100,000
Total	305	\$10,532,871

Recommendations

We recommend that the Director of the Disaster Recovery Assistance and Special Issues Division require the State to

- 1A. Provide documentation to support that \$10,532,871 in Jumpstart disaster assistance funds was paid to businesses in accordance with Iowa State law

or reimburse the CDBG program from non-Federal sources for amounts that it cannot support.

- 1B. Perform oversight and monitoring of the disaster recovery activities in a timely manner.

Finding 2: The State Failed To Check for Duplicate Benefits Before Awarding Disaster Assistance Funds

The State failed to check for duplicate benefits before awarding disaster assistance funds. This condition occurred because the State believed that the risk of duplicate benefits was low. As a result, HUD had no assurance that the State complied with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) and prevented duplicate benefits.

Duplicate Benefits Not Verified Before Assistance Was Provided

The Department failed to verify that the 406 Jumpstart recipients did not receive duplicate benefits through any other program, insurance, or source before awarding disaster assistance funds. This verification is necessary to satisfy the Stafford Act, which requires that no business will receive assistance for any loss for which it has already received financial assistance. See appendix D for the detailed criteria.

For example, the Department was supposed to check with SBA and other lending institutions before providing Jumpstart assistance to applicants. This measure was intended to ensure that the applicants had not already received financial assistance for the same purposes from the other entities. The Department began awarding Jumpstart funds in December 2008 but did not begin checking with SBA until February 2009. Additionally, it had not checked with other lending institutions as of June 2009 when it had spent all of the Jumpstart funds.

Risk of Duplicate Benefits Considered Low

The Department incorrectly believed that there was no possibility for duplication of benefits with SBA funds because Jumpstart funds were meant for working capital and SBA loans were meant for other purposes. However, SBA offers physical disaster business loans and economic injury disaster loans to disaster-affected businesses. The purpose of economic injury disaster loans is to provide businesses with operating funds until they recover. These funds can be used to make payments on short-term notes, accounts payable, and installment payments on long-term notes. Therefore, the SBA loans and Jumpstart funds could be used for the same purposes.

Insurance Proceeds and State Assistance Not Considered

The Department failed to consider the possibility that insurance proceeds and State-funded (i.e., non-Federal) disaster assistance could create duplicate benefits. According to the Department, it failed to consider insurance proceeds as well as State funds in determining whether recipients had duplicate benefits. When it initially reviewed the Stafford Act, it did not realize that insurance proceeds and State funds should be considered during the duplicate benefits check.

Lack of Assurance of Compliance with Laws

As a result of the conditions described above, HUD had no assurance that the Department complied with the Stafford Act and prevented duplicate benefits.

Recommendations

We recommend that the Director of the Disaster Recovery Assistance and Special Issues Division require the State to

- 2A. Perform a duplication of benefits check on all 406 businesses that received Jumpstart funds to ensure compliance with the Stafford Act.
- 2B. Repay any amounts found to be duplicated.

SCOPE AND METHODOLOGY

To accomplish our objective, we reviewed

- Applicable Code of Federal Regulations requirements, the Stafford Act, Office of Management and Budget circulars, HUD handbooks, and HUD manuals;
- Applicable sections of the Iowa Administrative Code;
- Department duplication of benefits procedures;
- Relevant audit reports;
- Applicable contracts and agreements; and
- Jumpstart program applicant files.

We also interviewed applicable Department and City contractor staff.

From December 2008 through July 2009, the State provided 406 businesses with more than \$14.7 million in Jumpstart funds. We reviewed all 432 Jumpstart applications submitted by these businesses.

While reviewing the recipient files, we examined the loan documents to determine whether they had been executed and used an online public records database to determine whether the businesses had obtained bank loans. Also, we obtained bank records and State draw records to determine whether the businesses received the funds. Additionally, we searched the Iowa secretary of state's Web site to determine whether Jumpstart recipients were in business before the floods of 2008.

We relied on computer-processed data provided by the contractor that managed the Jumpstart program. During the audit, we assessed the reliability of the data and found the data to be adequate. We performed sufficient tests of the data and based on the assessments and testing, we concluded that the data were sufficiently reliable to be used in meeting our objectives.

We performed audit work from August through November 2009 at the Department's office at 200 East Grand Avenue, Des Moines, IA, and at the Corridor Company Works office at 222 3rd Street SE, Suite 600, Cedar Rapids, IA.

We performed our review in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

INTERNAL CONTROLS

Internal control is an integral component of an organization's management that provides reasonable assurance that the following controls are achieved:

- Program operations,
- Relevance and reliability of information,
- Compliance with applicable laws and regulations, and
- Safeguarding of assets and resources.

Internal controls relate to management's plans, methods, and procedures used to meet its mission, goals, and objectives. They include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objective:

- Controls to ensure that CDBG funds were disbursed only to eligible recipients.

We assessed the relevant controls identified above.

A significant weakness exists if management controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations will meet the organization's objectives.

Significant Weakness

Based on our review, we believe that the following item is a significant weakness:

- The State did not have adequate controls in place to ensure that CDBG funds were disbursed only to eligible recipients.

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS

Recommendation number	Unsupported 1/
1A	\$10,532,871

1/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.


Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments

Comment 1



February 5, 2010

Mr. Ronald J. Hosking
Regional Inspector General for Audit
U.S. Dept. of Housing and Urban Development
Office of Inspector General
Region VII Office of Audit
Gateway Tower II – 5th Floor
400 State Avenue
Kansas City, Kansas 66101-2406

Dear Mr. Hosking:

This letter will provide comments on the Draft Audit Report on the State of Iowa's Community Development Block Grant disaster assistance program. That Report was received under cover of a letter from you dated January 22, 2010.

Our review of the Report reveals three significant issues/recommendations. The three issues we have identified, and our comments on each, are as follows:

- 1) The Report finds that the State provided Jumpstart disaster funds to 305 businesses without supporting their eligibility for funding.

In the case of 292 of the 305 business awards in question, the businesses had been offered SBA or conventional loans for flood recovery, but those loans had not yet been accepted and/or loan documents executed. The intent of the State was that the offer of an SBA or conventional disaster-related loan should be sufficient to demonstrate eligibility for Jumpstart funding. However, in the process of amending state administrative rules that implement the program, the language was inadvertently changed to require loan execution. This was the standard that was used in the OIG review. If this one-word change in language had not occurred, there would have presumably been no Finding relating to these 292 cases. This error is in process of being corrected. An amendment to the state administrative rules has been initiated, as well as a technical modification to the State's disaster plan, to correct the language to require only loan approval, rather than loan execution. These proposed revisions are enclosed with this letter.

The State will review the other 13 awards in question to determine whether there is additional information that might alter the Findings in those cases. The total amount of these 13 awards is \$352,645; if the argument in the paragraph above is accepted, this would be the maximum potential questioned cost.

Chester J. Culver, Governor **IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT** Patty Judge, Lieutenant Governor

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Ref to OIG Evaluation

Auditee Comments

Comment 2

- 2) The Report recommends that the State perform oversight and monitoring of the disaster recovery activities in a timely manner.

The State would point out that this is underway. The State has developed a Monitoring Policy for the Disaster-Funded Activities. All recipients have been monitored once previously for Housing Repair/Rehabilitation activities, the first activities to be funded. Another round of Housing monitoring is currently underway. Business assistance activities are also being monitored currently. Some of the other major activities (Buyouts, Infrastructure) have not yet reached the point where monitoring would be beneficial.

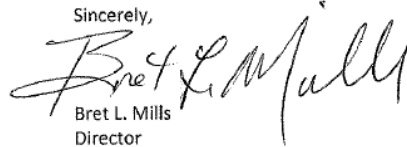
- 3) The Report recommends that the State perform a duplication of benefits check on all 406 businesses that received Jumpstart funds to ensure compliance with the (Stafford Act), and repay any amounts that are found to have been duplicated.

Comment 3

The State has submitted a listing of all 406 business awards to the SBA to allow a DOB review by the SBA. The SBA has identified a few awards where DOB may be an issue. This process has not been completed at this time, but at its conclusion we will have a full accounting of any DOB between any SBA awards and state CDBG disaster funding. If HUD determines that additional DOB review(s) are needed, the State will proceed to ensure that the OIG and HUD recommendation is complied with.

Thank you for your consideration of these comments as you draft your Final Report.

Sincerely,



Bret L. Mills
Director

Enclosures: Administrative Rule Amendment (proposed)
Technical Modification to Disaster Plan (proposed)

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF [261]

Adopted and Filed Emergency

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development adopts an amendment to Chapter 78, "Small Business Disaster Recovery Financial Assistance Program," Iowa Administrative Code.

These amendments revise the rules for a program adopted by the Iowa Economic Development Board on September 26, 2008, and published in the Iowa Administrative Bulletin on _____, 2008, as ARC _____. The program provides financial assistance to businesses that sustained physical damage or economic loss due to the 2008 natural disasters.

This amendment consists of deleting the requirement that eligible businesses have executed loan documents for a disaster loan from an eligible lender, and substituting the requirement that eligible businesses have been approved for a disaster loan from an eligible lender. The amendment further provides that this change be retroactive to September 26, 2008.

The core issue addressed by this amendment is evidence of underwriting, or the reasonable assurance of the viability of businesses damaged by the 2008 disasters who applied for recovery assistance.

Original rules for this program, adopted on September 18, 2008, required businesses to have received a disaster loan from an eligible lender. On September 26, the Department adopted and filed an amendment to the rules that changed and clarified a number of items. Among these items was an amendment to require businesses to have executed loan documents.

Based on the September 18 rules, guidance sent out from the State to local program operators and prospective businesses stated the requirement for businesses to be approved for a disaster loan. It did not say that the business must accept the loan, nor execute loan documents. Review of the recipients for this program has shown that while all/almost all recipients had documented loan approval, the majority did not decide to accept the loan, and therefore did not execute the loan documents. Federal officials have noted the discrepancy between documentation of loan approval and the rule requirement for executed loan

Ref to OIG Evaluation

Auditee Comments

documents. They have advised the Department that this discrepancy could result in disallowance of federal funds for the program.

The Department finds that the original rule, requiring loan approval, provided sufficient evidence that a responsible lender had performed due diligence on the financial viability of the business and was prepared to underwrite them. In addition, the guidance sent out to local program operators and recipients reflected the original rule. In retrospect, the rule change requiring executed loan documents was unnecessary and confusing. It was not the Department's intent to require recipients to take on a loan.

The Department also finds that amendment of the rule retroactively confers a substantial benefit to the state and its businesses that were affected by the disasters of 2008, and that no businesses or other parties are adversely affected.

The Iowa Economic Development Board adopted this amendment on February 18, 2010.

In compliance with Iowa Code section 17A.4(2), the Department finds that notice and public participation are impracticable and contrary to the public interest because there is an immediate need to correct a provision that will enable federal funding to eligible businesses in the areas of the state that suffered damage due to this year's natural disasters. The public interest in having federal funding to distribute outweighs the benefit of a comment period.

The Department finds, pursuant to Iowa Code section 17A.5(2)"b"(2), that the normal effective date of the amendment should be waived and the rule be made effective upon filing with the Administrative Rules Coordinator on February 18, 2010. This amendment confers a benefit on the public by enabling federal funding for applicants in need of financial assistance for help with disaster recovery efforts.

This amendment became effective on February 18, 2010.

These amendments are intended to implement Iowa Code section 15.109.

The following amendment is adopted.

Ref to OIG Evaluation

Auditee Comments

ITEM 1. Amend subrule 78.4(2) as follows:

78.4(2) The business has ~~executed loan documents~~ been approved for a disaster loan from an eligible lender. This rule is retroactive to September 28, 2008.

D R A F T

February 3, 2010

Scott Davis, Director
HUD Disaster Recovery and Special Issues Division
451 7th St SW Rm 7272
Washington DC 20410

Dear Scott:

The IDED is adopting a technical modification to Iowa's disaster recovery action plan, to amend a requirement for applicants to the Small Business Disaster Recovery Financial Assistance Program (Activity E in the Method of Distribution section). This program provides financial assistance to businesses that sustained physical damage or economic loss due to the 2008 natural disasters.

This modification consists of changing the wording in a threshold requirement that eligible businesses have received a disaster loan from an eligible lender, and substituting the requirement that eligible businesses have been approved for a disaster loan. This modification is consistent with a pending amendment to state administrative rules that is scheduled to take effect on February 18, 2010, and which will be retroactive to the start of the program. The overall allocation to Activity E remains the same, and there are no changes in eligible subrecipients.

The core issue addressed by this modification is evidence of underwriting, or the reasonable assurance of the viability of businesses damaged by the 2008 disasters who applied for recovery assistance. Original rules for this program, adopted on September 18, 2008, required businesses to have received a disaster loan from an eligible lender. On September 26, the Department adopted and filed an amendment to the rules that changed and clarified a number of items. Among these items was an amendment to require businesses to have executed loan documents.

Based on the September 18 rules, guidance sent out from the State to local program operators and prospective businesses stated the requirement for businesses to be approved for a disaster loan. It did not say that the business must accept the loan, nor execute loan documents. Review of the recipients for this program has shown that while recipients had documented loan approval, the majority did not decide to accept the loan, and therefore did not execute the loan documents.

The Department has found that requiring loan approval provides sufficient evidence that a responsible lender had performed due diligence on the financial viability of the business and was prepared to underwrite them. In addition, the guidance sent out to local program operators and recipients reflected the original rule. In retrospect, the rule change requiring executed loan documents was unnecessary and confusing. It was not the Department's intent to require recipients to take on a loan. The modification confers a substantial benefit

Ref to OIG Evaluation

Auditee Comments

to Iowa businesses that were affected by the disasters of 2008, and no businesses or other parties are adversely affected.

Technical Modification 3 to Iowa's Action Plan 1 for Disaster Recovery (P.L. 110-252).

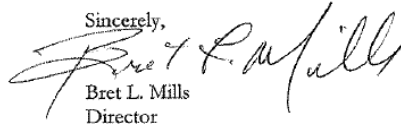
Make the following changes under METHOD OF DISTRIBUTION:

At Activity E. Small Business Stimulus, Item 3.(b.), modify the sentence under the activity heading as follows:

Receipt Approval of a disaster loan from the U.S. Small Business Administration (SBA), a financial institution, or an economic development corporation or other equivalent types of loans.

Thank you for your continuing cooperation and support in our efforts.

Sincerely,



Bret L. Mills
Director

OIG Evaluation of Auditee Comments

- Comment 1** We compared the State's use of funds to 1) the original code language which required receipt of a loan, 2) the amended code language which required executed loan documents, and 3) the action plan which required receipt of a loan. All three of these required actual receipt of a loan rather than merely a loan approval. We disagree that the code amendment was in error. We believe that the amendment required the presentation of documentation to show that the businesses actually obtained disaster loans. The intent of the program was to ensure that viable businesses obtained grant amounts, based on discussions with Department staff. Loan approval by a bank does not necessarily mean that a loan has been fully underwritten or that all due diligence has been performed. The Department's files did not contain evidence that these loans were properly underwritten. In fact, some of the loan approval letters indicated that further underwriting would be needed before final approval.
- Comment 2** The Department has taken a positive step by developing a monitoring policy. The Department should ensure that all programs receive on-site monitoring to ensure that any problems discovered can be remedied.
- Comment 3** The Department has taken a positive step by submitting its list of awards to the SBA. The Department should also ensure that all insurance proceeds and other forms of disaster assistance received by businesses that did not apply for SBA assistance are accounted for and any duplication remedied. This should help ensure that all potential duplicate benefits are identified.

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
1	517	\$227,500	\$50,000	\$0	\$50,000
2	519	\$62,700	\$15,675	\$0	\$15,675
3	523 and 920	\$58,353	\$14,588	\$42,000	\$4,088
4	531	\$350,800	\$50,000	\$0	\$50,000
5	533	\$220,000	\$50,000	\$86,000	\$28,500
6	539	\$50,000	\$12,500	\$0	\$12,500
7	540	\$504,300	\$50,000	\$0	\$50,000
8	557	\$265,000	\$50,000	\$0	\$50,000
9	558	\$200,000	\$50,000	\$0	\$50,000
10	561	\$177,700	\$50,000	\$0	\$5,575
11	566	\$200,000	\$50,000	\$0	\$50,000
12	572	\$106,400	\$26,600	\$86,400	\$5,000
13	586	\$525,000	\$50,000	\$0	\$50,000
14	587	\$50,000	\$12,500	\$0	\$12,500
15	588	\$10,000	\$2,500	\$0	\$2,500
16	601	\$11,700	\$2,925	\$0	\$2,925
17	603	\$119,300	\$29,825	\$0	\$29,825
18	605	\$419,700	\$50,000	\$0	\$7,575
19	607 , 964, and 1086	\$200,000	\$50,000	\$0	\$50,000
20	613	\$616,600	\$50,000	\$0	\$50,000
21	617	\$220,100	\$50,000	\$0	\$50,000
22	619	\$234,400	\$50,000	\$0	\$50,000
23	622	\$220,100	\$50,000	\$0	\$15,000
24	625	\$300,000	\$50,000	\$0	\$37,500
25	626	\$162,800	\$40,700	\$87,800	\$18,750
26	627	\$202,400	\$50,000	\$0	\$50,000
27	629	\$8,100	\$2,025	\$0	\$2,025
28	630	\$213,800	\$50,000	\$290,000	\$50,000
29	635	\$106,200	\$26,550	\$0	\$26,550
30	638	\$250,000	\$50,000	\$0	\$50,000
	Total		\$1,136,388		\$926,488

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
31	640	\$55,000	\$13,750	\$0	\$13,750
32	641	\$421,300	\$50,000	\$0	\$50,000
33	642	\$250,000	\$50,000	\$0	\$50,000
34	643	\$105,000	\$26,250	\$0	\$26,250
35	650	\$350,000	\$50,000	\$0	\$50,000
36	653	\$47,600	\$11,900	\$0	\$11,900
37	654	\$15,000	\$3,750	\$0	\$3,750
38	657	\$300,000	\$50,000	\$0	\$50,000
39	658	\$193,001	\$48,250	\$0	\$48,250
40	662, 950 and 1033	\$200,000	\$50,000	\$91,200	\$27,200
41	664	\$100,000	\$25,000	\$0	\$25,000
42	667 and 1098	\$200,000	\$50,000	\$150,000	\$12,500
43	680	\$125,000	\$31,250	\$0	\$31,250
44	687	\$110,000	\$27,500	\$0	\$27,500
45	691	\$270,600	\$50,000	\$0	\$50,000
46	692	\$174,000	\$43,500	\$0	\$43,500
47	698	\$150,000	\$37,500	\$0	\$37,500
48	702	\$197,807	\$49,452	\$0	\$49,452
49	703	\$130,000	\$32,500	\$0	\$32,500
50	705	\$250,000	\$50,000	\$0	\$50,000
51	708	\$190,000	\$47,500	\$0	\$47,500
52	709	\$200,000	\$50,000	\$0	\$50,000
53	711	\$160,000	\$40,000	\$0	\$40,000
54	715	\$200,000	\$50,000	\$0	\$50,000
55	716	\$200,000	\$50,000	\$0	\$50,000
56	717	\$200,000	\$50,000	\$0	\$50,000
57	721	\$1,500,000	\$50,000	\$0	\$50,000
58	724	\$200,000	\$50,000	\$150,000	\$12,500
59	725	\$68,200	\$17,050	\$0	\$17,050
60	736	\$90,300	\$22,575	\$0	\$22,575
	Total		\$1,177,727		\$1,079,927

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
61	737	\$105,000	\$26,250	\$0	\$26,250
62	738	\$30,000	\$7,500	\$0	\$7,500
63	739	\$200,000	\$50,000	\$0	\$50,000
64	744	\$221,400	\$50,000	\$0	\$50,000
65	745	\$50,000	\$12,500	\$0	\$12,500
66	746	\$60,000	\$15,000	\$0	\$15,000
67	747	\$200,000	\$50,000	\$0	\$50,000
68	748 and 994	\$100,000	\$25,000	\$0	\$25,000
69	749	\$88,300	\$22,075	\$0	\$22,075
70	750	\$114,000	\$28,500	\$54,000	\$15,000
71	753	\$200,000	\$50,000	\$0	\$50,000
72	765	\$200,000	\$50,000	\$0	\$50,000
73	779 and 1095	\$200,000	\$50,000	\$0	\$31,875
74	780	\$75,800	\$18,950	\$0	\$18,950
75	781	\$33,400	\$8,350	\$0	\$8,350
76	783	\$238,800	\$50,000	\$0	\$50,000
77	784	\$200,000	\$50,000	\$0	\$50,000
78	785 and 1064	\$200,000	\$50,000	\$0	\$50,000
79	786	\$75,000	\$18,750	\$0	\$18,750
80	788	\$50,000	\$12,500	\$0	\$12,500
81	791	\$425,000	\$50,000	\$0	\$50,000
82	793	\$200,000	\$50,000	\$0	\$50,000
83	794	\$75,000	\$18,750	\$0	\$18,750
84	795	\$50,000	\$12,500	\$0	\$12,500
85	799	\$125,000	\$31,250	\$0	\$31,250
86	800	\$200,000	\$50,000	\$0	\$50,000
87	801	\$200,000	\$50,000	\$0	\$50,000
88	811	\$25,700	\$6,426	\$0	\$6,426
89	812	\$88,400	\$22,100	\$0	\$22,100
90	813	\$122,900	\$30,725	\$72,900	\$12,500
	Total		\$967,126		\$917,276

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
91	815	\$12,000	\$3,000	\$0	\$3,000
92	818	\$202,500	\$50,000	\$0	\$50,000
93	820	\$210,000	\$50,000	\$0	\$35,000
94	821	\$222,040	\$50,000	\$0	\$50,000
95	823	\$250,000	\$50,000	\$0	\$50,000
96	829	\$200,000	\$50,000	\$0	\$50,000
97	832	\$16,000	\$4,000	\$0	\$4,000
98	837	\$71,400	\$17,850	\$0	\$17,850
99	838	\$225,000	\$50,000	\$0	\$50,000
100	839	\$25,000	\$6,250	\$0	\$6,250
101	841	\$70,542	\$17,535	\$0	\$17,535
102	842	\$100,000	\$25,000	\$0	\$25,000
103	843	\$200,000	\$50,000	\$0	\$50,000
104	844 and 1094	\$200,000	\$50,000	\$0	\$23,075
105	846	\$50,000	\$12,500	\$0	\$12,500
106	850 and 1182	\$185,000	\$46,250	\$0	\$46,250
107	851	\$24,000	\$6,000	\$0	\$6,000
108	852	\$18,800	\$4,700	\$0	\$4,700
109	853	\$175,000	\$43,750	\$48,900	\$31,525
110	854	\$383,400	\$50,000	\$0	\$50,000
111	856	\$227,000	\$50,000	\$0	\$50,000
112	858	\$250,000	\$50,000	\$0	\$50,000
113	862	\$57,000	\$14,250	\$0	\$14,250
114	863	\$200,000	\$50,000	\$0	\$50,000
115	870	\$245,000	\$50,000	\$0	\$50,000
116	877	\$6,000	\$1,500	\$0	\$1,500
117	878	\$315,700	\$50,000	\$0	\$50,000
118	880	\$230,000	\$50,000	\$0	\$50,000
119	884	\$1,200,000	\$50,000	\$0	\$50,000
120	886	\$61,000	\$15,250	\$0	\$15,250
	Total		\$1,017,835		\$963,685

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
121	888 and 1107	\$192,000	\$48,000	\$0	\$48,000
122	889	\$190,000	\$47,500	\$0	\$47,500
123	890	\$22,862	\$5,715	\$0	\$5,715
124	893	\$100,000	\$25,000	\$0	\$25,000
125	894	\$250,000	\$50,000	\$0	\$50,000
126	898	\$200,000	\$50,000	\$0	\$50,000
127	899	\$200,000	\$50,000	\$48,000	\$38,000
128	905	\$70,000	\$17,500	\$50,000	\$12,500
129	906 and 992	\$208,400	\$50,000	\$0	\$50,000
130	907 and 998	\$200,408	\$50,000	\$50,408	\$37,398
131	911	\$200,000	\$50,000	\$0	\$50,000
132	919	\$354,200	\$50,000	\$0	\$50,000
133	931	\$200,000	\$50,000	\$0	\$50,000
134	932	\$101,100	\$25,275	\$36,600	\$16,125
135	933	\$30,000	\$7,500	\$0	\$7,500
136	940	\$200,000	\$50,000	\$0	\$50,000
137	941	\$111,700	\$27,925	\$46,700	\$11,250
138	942 and 1061	\$110,800	\$27,700	\$0	\$27,700
139	948	\$200,000	\$50,000	\$0	\$50,000
140	949	\$100,000	\$25,000	\$0	\$25,000
141	951	\$305,900	\$50,000	\$0	\$50,000
142	952 and 1128	\$200,000	\$50,000	\$0	\$50,000
143	954	\$200,000	\$50,000	\$0	\$50,000
144	955	\$200,000	\$50,000	\$0	\$50,000
145	956	\$300,000	\$50,000	\$0	\$50,000
146	958	\$136,200	\$34,050	\$0	\$34,050
147	959	\$200,000	\$50,000	\$0	\$50,000
148	960	\$200,000	\$50,000	\$0	\$50,000
149	961	\$250,000	\$50,000	\$0	\$50,000
150	963	\$200,000	\$50,000	\$0	\$50,000
	Total		\$1,241,165		\$1,185,738

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
151	965	\$40,000	\$40,000	\$0	\$40,000
152	968	\$55,035	\$3,750	\$0	\$3,750
153	969	\$250,000	\$50,000	\$0	\$50,000
154	970	\$40,000	\$10,000	\$0	\$10,000
155	971	\$200,000	\$50,000	\$0	\$37,500
156	972	\$230,000	\$50,000	\$0	\$50,000
157	973	\$14,000	\$3,500	\$0	\$3,500
158	975	\$200,000	\$50,000	\$0	\$50,000
159	980 and 1165	\$200,000	\$50,000	\$0	\$50,000
160	981	\$200,000	\$50,000	\$0	\$50,000
161	982	\$220,000	\$50,000	\$0	\$50,000
162	983	\$50,000	\$12,500	\$0	\$12,500
163	984	\$10,000	\$2,500	\$0	\$2,500
164	985	\$25,000	\$6,250	\$0	\$6,250
165	986	\$200,000	\$50,000	\$0	\$50,000
166	987	\$200,000	\$50,000	\$0	\$50,000
167	988	\$50,000	\$12,500	\$0	\$12,500
168	989	\$7,400	\$1,850	\$0	\$1,850
169	990	\$40,000	\$10,000	\$0	\$10,000
170	991	\$125,000	\$31,250	\$0	\$31,250
171	999	\$172,500	\$43,125	\$0	\$43,125
172	1001	\$200,000	\$50,000	\$0	\$50,000
173	1002	\$250,000	\$50,000	\$0	\$50,000
174	1003	\$20,000	\$5,000	\$0	\$5,000
175	1004	\$200,000	\$50,000	\$0	\$50,000
176	1005	\$100,000	\$25,000	\$0	\$25,000
177	1008	\$200,000	\$50,000	\$0	\$50,000
178	1010	\$59,300	\$14,825	\$0	\$14,825
179	1013	\$184,300	\$46,075	\$0	\$46,075
180	1014	\$200,000	\$50,000	\$0	\$50,000
	Total		\$968,125		\$955,625

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
181	1019	\$20,092	\$5,023	\$0	\$5,023
182	1021	\$200,000	\$50,000	\$0	\$50,000
183	1022	\$200,000	\$50,000	\$0	\$50,000
184	1023	\$200,000	\$50,000	\$0	\$50,000
185	1029	\$240,000	\$50,000	\$0	\$50,000
186	1030	\$40,000	\$10,000	\$0	\$10,000
187	1031	\$40,000	\$10,000	\$0	\$10,000
188	1032	\$2,850,000	\$50,000	\$0	\$50,000
189	1034	\$200,000	\$50,000	\$0	\$50,000
190	1035	\$396,100	\$50,000	\$0	\$50,000
191	1039	\$4,500,000	\$50,000	\$0	\$50,000
192	1041	\$200,000	\$50,000	\$0	\$50,000
193	1042	\$33,488	\$8,513	\$0	\$8,513
194	1043	\$750,000	\$50,000	\$0	\$50,000
195	1044	\$200,000	\$50,000	\$0	\$50,000
196	1050	\$10,000	\$2,500	\$0	\$2,500
197	1051	\$200,000	\$50,000	\$0	\$50,000
198	1052	\$91,697	\$22,924	\$0	\$22,924
199	1053	\$200,000	\$50,000	\$0	\$50,000
200	1057	\$5,804,000	\$50,000	\$0	\$50,000
201	1058	\$20,000	\$5,000	\$0	\$5,000
202	1059	\$398,300	\$50,000	\$0	\$50,000
203	1062	\$46,000	\$11,500	\$30,069	\$3,983
204	1063	\$100,000	\$25,000	\$0	\$25,000
205	1065	\$32,580	\$8,145	\$0	\$8,145
206	1066	\$100,000	\$25,000	\$0	\$25,000
207	1069, 1137, and 1240	\$90,950	\$22,737	\$0	\$22,737
208	1071	\$250,000	\$50,000	\$0	\$50,000
209	1073	\$100,000	\$25,000	\$0	\$25,000
210	1076	\$500,000	\$50,000	\$0	\$50,000
	Total		\$1,031,342		\$1,023,825

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
211	1078	\$50,000	\$12,500	\$0	\$12,500
212	1079	\$50,000	\$12,500	\$250,000	\$12,500
213	1080	\$50,000	\$12,500	\$225,000	\$12,500
214	1081	\$100,000	\$2,070	\$100,000	\$2,070
215	1082	\$200,000	\$50,000	\$0	\$50,000
216	1084	\$45,000	\$11,250	\$0	\$11,250
217	1085	\$110,000	\$27,500	\$0	\$27,500
218	1087	\$200,000	\$50,000	\$0	\$50,000
219	1088	\$39,200	\$9,800	\$0	\$9,800
220	1089	\$200,000	\$50,000	\$0	\$50,000
221	1090	\$200,000	\$50,000	\$0	\$50,000
222	1091	\$352,900	\$50,000	\$0	\$50,000
223	1097	\$200,000	\$50,000	\$0	\$50,000
224	1105	\$100,000	\$25,000	\$0	\$25,000
225	1106	\$54,900	\$13,725	\$0	\$13,725
226	1108	\$200,000	\$50,000	\$0	\$50,000
227	1109	\$250,000	\$50,000	\$0	\$50,000
228	1112	\$200,000	\$50,000	\$0	\$50,000
229	1114	\$140,000	\$35,000	\$0	\$35,000
230	1120	\$80,000	\$20,000	\$0	\$20,000
231	1121	\$4,000,000	\$50,000	\$0	\$50,000
232	1122	\$53,000	\$13,250	\$0	\$13,250
233	1123	\$75,000	\$18,750	\$0	\$18,750
234	1124	\$5,000,000	\$50,000	\$0	\$50,000
235	1125	\$200,000	\$50,000	\$0	\$50,000
236	1126	\$50,000	\$12,500	\$0	\$12,500
237	1127	\$200,000	\$50,000	\$0	\$50,000
238	1130	\$163,000	\$40,750	\$0	\$40,750
239	1131	\$263,000	\$50,000	\$0	\$50,000
240	1134	\$200,000	\$50,000	\$0	\$50,000
	Total		\$1,017,095		\$1,017,095

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
241	1135 and 1196	\$80,000	\$20,000	\$0	\$20,000
242	1136	\$200,000	\$50,000	\$0	\$50,000
243	1138	\$200,000	\$50,000	\$0	\$50,000
244	1139	\$200,000	\$50,000	\$0	\$50,000
245	1140	\$200,000	\$50,000	\$0	\$50,000
246	1142	\$200,000	\$50,000	\$0	\$50,000
247	1143	\$250,000	\$50,000	\$0	\$50,000
248	1145	\$500,500	\$50,000	\$500,500	\$50,000
249	1147	\$200,000	\$50,000	\$0	\$50,000
250	1149	\$200,000	\$50,000	\$0	\$50,000
251	1150	\$250,000	\$50,000	\$0	\$50,000
252	1151	\$100,000	\$25,000	\$0	\$25,000
253	1152	\$205,000	\$50,000	\$0	\$50,000
254	1154	\$50,000	\$12,500	\$0	\$12,500
255	1155	\$250,000	\$50,000	\$0	\$50,000
256	1157	\$260,000	\$50,000	\$0	\$35,000
257	1158	\$200,000	\$50,000	\$0	\$50,000
258	1159	\$50,000	\$12,500	\$0	\$12,500
259	1160	\$200,000	\$50,000	\$0	\$50,000
260	1161	\$200,000	\$50,000	\$0	\$50,000
261	1163	\$91,620	\$22,905	\$0	\$22,905
262	1164	\$90,000	\$22,500	\$0	\$22,500
263	1166	\$200,000	\$50,000	\$100,000	\$25,000
264	1167	\$200,000	\$50,000	\$0	\$50,000
265	1168	\$200,000	\$50,000	\$0	\$50,000
266	1172	\$200,000	\$50,000	\$0	\$50,000
267	1173	\$300,000	\$50,000	\$0	\$50,000
268	1176	\$70,000	\$17,500	\$0	\$17,500
269	1177	\$200,000	\$50,000	\$0	\$50,000
270	1178	\$200,000	\$50,000	\$0	\$50,000
	Total		\$1,282,905		\$1,242,905

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
271	1179	\$24,054	\$6,013	\$0	\$6,013
272	1180	\$400,000	\$50,000	\$0	\$50,000
273	1181	\$25,000	\$6,250	\$0	\$6,250
274	1183	\$200,000	\$50,000	\$0	\$50,000
275	1184	\$160,000	\$40,000	\$0	\$40,000
276	1185	\$200,000	\$50,000	\$0	\$50,000
277	1188	\$200,000	\$50,000	\$0	\$50,000
278	1189	\$300,000	\$50,000	\$0	\$50,000
279	1190	\$20,000	\$5,000	\$0	\$5,000
280	1192	\$10,000	\$2,500	\$0	\$2,500
281	1197	\$200,000	\$50,000	\$0	\$50,000
282	1198	\$200,000	\$50,000	\$0	\$50,000
283	1199	\$200,000	\$50,000	\$0	\$50,000
284	1200	\$85,000	\$21,250	\$0	\$21,250
285	1213	\$150,000	\$37,500	\$0	\$37,500
286	1215	\$40,000	\$10,000	\$0	\$10,000
287	1216	\$200,000	\$50,000	\$0	\$50,000
288	1217	\$152,670	\$38,167	\$0	\$38,167
289	1220	\$46,510	\$11,627	\$0	\$11,627
290	1221	\$40,000	\$10,000	\$0	\$10,000
291	1222	\$18,000	\$4,500	\$0	\$4,500
292	1224	\$60,000	\$15,000	\$0	\$15,000
293	1227	\$100,000	\$25,000	\$0	\$25,000
294	1233	\$100,000	\$25,000	\$0	\$25,000
295	1234	\$200,000	\$50,000	\$0	\$50,000
296	1237	\$250,000	\$50,000	\$0	\$50,000
297	1238	\$200,000	\$50,000	\$0	\$50,000
298	1242	\$200,000	\$50,000	\$0	\$50,000
299	1245	\$200,000	\$50,000	\$0	\$50,000
300	1247	\$100,000	\$25,000	\$0	\$25,000
	Total		\$982,807		\$982,807

Appendix C

SCHEDULE OF UNSUPPORTED GRANTS

	Business application number	Stated loan amount	Jumpstart grant amount awarded	Verified loan disbursement amount	Unsupported Jumpstart amount awarded
301	1253	\$200,000	\$50,000	\$0	\$50,000
302	1254	\$150,000	\$37,500	\$0	\$37,500
303	1262	\$200,000	\$50,000	\$0	\$50,000
304	1264	\$200,000	\$50,000	\$0	\$50,000
305	1266	\$200,000	\$50,000	\$0	\$50,000
	Grand total		\$11,060,015		\$10,532,871

Appendix D

CRITERIA

Iowa Administrative Code

Paragraphs 78 261-78.4(15) state that an eligible business is one that meets the following requirements:

- 78.4(1) The business has sustained physical damage or economic loss due to the 2008 natural disasters, and
- 78.4(2) The business has executed loan documents for a disaster loan from an eligible lender.

Paragraph 78 78.5(1) states that an eligible business may apply for funding for working capital to ensure the business's survival. The maximum amount of program funds available for working capital to ensure the business's survival is 25 percent of the business's loan from an eligible lender up to a maximum of \$50,000.

Paragraphs 78 261-78.6(15) state that an administrative entity shall provide financial assistance from this program to eligible businesses in compliance with the terms and conditions described in this rule. An administrative entity may award funds in the form of a forgivable loan to businesses that have received a disaster loan from an eligible lender. A forgivable loan is a loan that will be forgiven if the business reopens within 12 months of the award date and, if applicable, upon receipt of documentation that the business has purchased and installed the energy-efficient equipment.

Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as Amended, 42 U.S.C. (United States Code) 5121-5207

Section 312. Duplication of Benefits (42 U.S.C. 5155) states:

- (a) General prohibition - The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.
- (c) Recovery of duplicative benefits - A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose.