

- Thank you to Chair Mike Quigley and Ranking Member Tom Graves for calling this hearing.
- I want to bring an issue to your attention that is of special importance to my constituents in Louisiana’s Sixth Congressional District and to my work as a member of the Transportation and Infrastructure Committee.
- **SBA Disaster Loans (Duplication of Benefits)**
 - I am asking this Committee to include report language in the bill that would stop the SBA from pursuing enforcement actions against a disaster victim who has defaulted on their SBA disaster loan if they are eligible for duplication of benefits relief, and they have defaulted through no fault of their own – but rather, the persistent bureaucratic delay here in Washington.
 - In August 2016, my district and much of South Louisiana was devastated by unprecedented rainfall. In response to this and other extraordinary disasters, Congress enacted the Disaster Recovery and Reform Act, or DRRA. More than a year has gone by, and FEMA has failed to fully implement many of the provisions of this act.
 - After a disaster, one of the first forms of assistance that is made available to disaster victims is a Small Business Disaster Loan.
 - Unfortunately, if an individual applied for an SBA Loan—even if they did not accept the loan—that application was held against them when it came time to apply for CDBG-DR disaster funds.
 - This “duplication of benefits” issue prevented around 6,000 Louisianans for being eligible for disaster assistance, all because they leaned into the recovery process.
 - I led the T&I committee’s efforts to provide a fix for this duplication of benefits issue, which passed the House three times and was ultimately included in DRRA.
 - The law is clear: as of October 2018, a loan is not duplicative of a grant.
 - However, it took HUD nearly a year to issue guidance to make grant funds available to those who had taken out an SBA loan.
 - When HUD finally did issue guidance, they included an arbitrary provision excluding a disaster victim from duplications of benefits

- relief if they earned more than 120% of the area median income, unless they submitted yet another application for a hardship waiver.
- HUD has yet to finalize the criteria for the hardship waiver, further delaying the full implementation of DRRRA.
 - The Committee should include report language urging the SBA to take action to protect disaster victims.
 - Nearly 4 years out from the disaster, the federal government continues to retraumatize victims by failing to fully implement the letter of the law when it comes to duplication of benefits.
 - Families who have been affected by disaster should not have their livelihood and financial future jeopardized by federal inaction.
 - Thank you again for requesting my testimony. Should the Committee have additional questions, please address them to me and my staff.