



**LONGMONT
HOUSING & COMMUNITY
INVESTMENT**
A Division of Community Services

CDBG-DR
Boulder County Flood Recovery
Down Payment Assistance Program
Administered by the City of Longmont

For residents affected by the September 2013 flood

Policies and Procedures

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Introduction

In September 2013, Boulder County experienced serious flooding that resulted in over 10,000 housing units being damaged or destroyed. These Program guidelines provide the policies and standards for the management and operation of the Boulder County CDBG-DR Down Payment Assistance Program (the Program), administered by the City of Longmont. The Program is designed to address the unmet needs of residents whose housing was directly affected by the flood by assisting them with the purchase of a home that is decent, safe, and sanitary in order to regain stability in their lives.

Loans are available to assist low/ moderate-income households with down payment and closing cost assistance to purchase a home in Boulder County. It is the intent of these guidelines to create a consistent and equitable Down Payment Assistance Program.

Exceptions to these guidelines will require the approval of the City of Longmont CDBG Coordinator, the Longmont Housing and Human Services Advisory Board, and/or the State of Colorado Division of Housing.

For the purposes of these guidelines the State of Colorado has allocated \$250,000 toward the Boulder County CDBG-DR Down Payment Assistance Program.

I. Program Information

A. Authority

The following document establishes the policies and procedures to be used to implement the Boulder County CDBG-DR Down Payment Assistance Program (the Program), administered by the City of Longmont. This Program operates in Boulder County and is funded by a CDBG-DR grant from the Colorado Division of Housing.

B. Equal Opportunity Lender

The Program operates as an equal opportunity lender. The Program does not discriminate against anyone in its lending practices or in any other of its decision making processes because of source of income, race, color, religion, sex, handicap, family status, sexual orientation, or national origin as defined in the Equal Credit Opportunity Act.

C. *SAFE Act*

The City of Longmont is exempt from the ‘Secure and Fair Enforcement for Mortgage Licensing Act of 2008’. This Act requires licensure of all loan originators excluding those employed at state or local government, housing authorities, HUD-approved housing counseling agencies, community development organizations, and/or self-help housing organizations.

II. Advisory Committee

A. Authority

The Longmont Housing and Human Services Advisory Board (Advisory Board) serves as the Advisory Board for the Program. There are nine (9) voting members who are volunteer representatives from the community-at-large.

B. Responsibility

The Advisory Board will assist in policy development and treatment of management issues. City of Longmont Housing and Community Investment division staff will, within these policies and procedures, review all routine applications for loans and will take action on these applications. The Advisory Board will be informed at regular intervals of all routine applications which are approved by staff according to established guidelines. The Advisory Board will review all non-routine applications and recommend action on these applications.

C. Meetings

The Advisory Board meets monthly and will review applications as needed, will recommend actions and conduct and other business pertaining to the Program in a timely and efficient manner. Five (5) voting members of the Advisory Board constitute a quorum for conducting business.

Whenever possible, decisions will be reached by consensus of members present. When consensus cannot be reached, a simple majority vote of members present will be necessary for action regarding a loan application. Telephone poll, written ballot, or use of fax or e-mail may be used to conduct loan committee business when it is not possible to schedule a loan committee meeting and when due to time constraints, decisions must be reached. All business conducted in this fashion must be reviewed at the next scheduled loan committee meeting.

III. Records and Accounting

The City of Longmont will maintain sufficient records to permit the U.S. Department of Housing and Urban Development and the Colorado Division of Housing to determine whether the Program has met the requirements of 24 CFR Part 92.508 and all other legal requirements pertinent to the Program.

IV. Conflict of Interest

A. Personal Benefit

No member of the Longmont Housing and Human Services Advisory Board, nor any employee of the City of Longmont who exercises responsibilities with respect to the Program or participates in its decision-making processes, may obtain a personal or financial interest or benefit from the Program, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or for those with whom they have family or business ties, during their employment or for one year thereafter.

V. Boulder County CDBG-DR Down Payment Assistance Program

A. Purpose

The purpose of the Program is to promote and facilitate the availability of homeownership for low/moderate income households in Boulder County whose housing was directly affected by the September 2013 flood. The Program will accomplish this by marketing the Program to potential buyers, assisting eligible buyers with down payment and closing cost assistance, homeownership counseling (if requested), and case-by-case intervention and support in default situations.

B. Down Payment Assistance

A Down Payment Assistance loan can range from a low of \$1,000 to a maximum of \$50,000 per household. The loan is a second mortgage and a deed of trust is placed on the property. The loan is contingent on approval of a first mortgage loan from a licensed and registered mortgage loan originator in Colorado working for a mortgage company registered to do business in the State of Colorado, and on documentation that homeownership is financially feasible for the applicant. The City will not lend to any applicant receiving a subprime, interest-only, or an adjustable-rate first mortgage loan. The City reserves the right to deny eligibility based on any loan terms and/or budget.

Applicant Requirements and Application Process

C. Eligible Applicants

Households whose previous housing was directly damaged or destroyed by the September 2013 flood, that have incomes at or below 80% of the Area Median Income (AMI) by family size as published each year by the U.S. Department of Housing and Urban Development, and who wish to purchase a home in Boulder County are eligible to apply to the Program.

Applicants must provide sufficient documentation demonstrating that their previous housing was directly damaged or destroyed by the September 2013 flood.

Annual household income may not exceed 80% of the Area Median Income (AMI) limit for the Boulder County MSA based on household size as determined by the Department of Housing and Urban Development (HUD). Total household income is calculated according to CFR 24 Part 5. For more information on income calculation, see the City of Longmont's **CDBG-DR Housing Assistance Program Income Policy**.

If the applicant is divorced or separated, a copy of the court-ordered custody arrangements and child and/or alimony payments is required.

VI. Grievance and Appeal Procedures

An applicant may appeal a decision by the City of Longmont in regards to their application to the Down Payment Assistance Program or the funding they receive from the Program. An applicant must appeal any issues with their ineligibility and /or award within 15 days of the determination as set out in the determination letter or from the date of their notification of the appeals process, whichever is later. After 15 days, the status is considered final and can no longer be appealed.

For more information on the appeal process, please refer to the **CDBG-DR Housing Assistance Program Appeals Procedure**. This policy may be obtained from the City of Longmont.

D. Verifiable Flood Damage

It must be demonstrated that the damage or destruction to structures was a direct result of the September 2013 flood.

E. U.S. Residency Requirements

All members of the household must be a citizen of the United States or be lawfully present in the Country. Before any assistance may be provided, all household members must complete a Declaration of Residency form (obtained from the City of Longmont Housing and Community Investment Division) and provide appropriate documentation. Parents or legal guardians may sign the form for minor children.

F. Duplication of Benefits

Applicants must disclose all financial assistance awarded and/or received in response to the flood, including but not limited to FEMA and Small Business Administration assistance. The City reserves the right to adjust the amount of assistance available for an applicant based on the receipt of previous assistance in order to prevent the duplication of benefits. Failure to disclose all financial assistance is considered fraud and can have serious consequences. Recipients of assistance must report any flood-related assistance they receive for one year after the award of City of Longmont assistance funds. The Housing and Community Investment Division will monitor compliance with the agreement for one year, by contacting the various agencies as noted above or listed in the original DOB calculation and by contacting the recipient of City CDBG-DR funds. The Applicant must all repay any assistance later received for the same purpose as the City of Longmont Flood Recovery funds received for one year after the receipt of City Flood Recovery assistance funds. Refer to Appendix A for the complete Duplication of Benefits policy.

If the applicant applied for and was offered an SBA loan but declined all or part of the loan, the amount of the loan declined may be considered a duplication of benefits. The applicant must document the reason they declined the loan on the City of Longmont's SBA Hardship Documentation form. The City, on a case by case basis will make a determination whether the household qualifies for a Hardship determination.

Demonstrable Hardship.

Demonstrable hardship is defined using its two component words:

- Demonstrable-proved or shown, by objective evidence (not by subjective feelings).
- Hardship-an economic impact which is burdensome or very difficult to bear, causing economic distress well beyond mere inconvenience.
- A demonstrable hardship is a substantial change in an applicant's financial situation that will prohibit or severely affect their ability to provide a minimal standard of living or the basic necessities of life

including food, housing, clothing and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. A demonstrable hardship must be occurring after the 2013 flood event. The term is not necessarily a definable term of fixed and inflexible content or meaning.

- The demonstrable hardship must be of a severe, involuntary and unexpected nature. It must not be one that is generally shared by other property owners affected by the 2013 flood event or within the disaster area. Examples of a demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case.
- The existence of a demonstrable hardship will be evaluated on a case-by- case basis after review of all of the circumstances. Whether there is a demonstrable hardship heavily depends upon the facts and circumstances.
- Persons claiming a Demonstrable Hardship shall be required to provide evidence of such claimed Demonstrable Hardship to the City of Longmont, for a decision. A written decision shall be made including the reasons therefor and returned to the person claiming the Demonstrable Hardship.

The City of Longmont's DOB is attached (Appendix A)

G. Application and Loan Processing

Loan applications must be submitted on the Boulder County Down Payment Assistance Application. The final Down Payment Assistance loan amount is based on actual project costs. Costs incurred for loan processing and closing costs may be included in the loan amount.

In accordance with provisions of the Equal Credit Opportunity Act, there shall be no discrimination against an applicant on the basis of age, source of income, sex, race, marital status, sexual orientation, national origin, religion, or handicap. Information obtained by staff and used by the Advisory Board to evaluate a loan application is kept confidential. A numbering system will be used to reference loans in committee and staff reports.

Completion and submission of the Boulder County Application for the Program does not guarantee an applicant the receipt of a loan. Applicants are strongly encouraged to apply to the Program before they have signed a purchased contract and to have their final eligibility for the Program determined before entering into a contract. Households already under contract may still apply but they are not guaranteed to be eligible for the Program and the Program cannot guarantee that dates specified in the purchase contract, including the closing date, will be met.

H. Application Cycles and Prioritization of Applicants

Applications will be accepted during pre-publicized application periods. The Program is intended to serve households whose income falls below 80% of the Area Median Income by family size for Boulder County. Prioritization will be given to households who were living in mobile/manufactured housing at the time of the flood, are elderly, and/or are disabled. The date of acceptance of the application is the date the application with complete documentation is received.

Completed applications of income-eligible households will be prioritized on a monthly basis. Those households who were living in mobile/manufactured housing at the time of the flood, are elderly, and/or are disabled will be prioritized over other qualified households. Qualified households who are not in one of the three priority categories will have their application considered once priority applications have been considered and depending on available funding.

I. Employment Requirement

At least one applicant who will be on the mortgage and title of the home receiving a Down Payment Assistance loan must work at least 30 hours a week unless they are retired and/or disabled.

A lender and/or developer may require more. A borrower may not receive any cash back at closing, regardless if they contributed more than the minimum requirement.

J. First Mortgage Requirements

A homebuyer must be able to qualify for an acceptable first mortgage from a licensed and registered mortgage loan originator in Colorado working for a mortgage company registered to do business in the State of Colorado. The Program accepts 30-year fixed rate and amortizing loans. Adjustable Rate Mortgages (ARMS), interest-only, or sub-prime loans are not accepted. The City reserves the right to deny eligibility based on any loan terms. Homebuyers must submit a copy of their loan application (Form 1003) with their Down Payment Assistance Application.

K. Homeownership Training and Counseling

Applicants who are first-time homebuyers are required to complete a Homeownership Training Course through the Boulder County Housing Counseling Program (or another CHFA-approved course) before eligibility for the CDBG-DR DPA Program will be determined. Homeownership Training is offered at no charge to participants. Homeownership Education classes are open to all applicants regardless of income.

A first-time homebuyer is defined as an applicant who has not owned a home for the three years prior to purchasing with down payment assistance funds. Owning a home includes being on the mortgage and/or title of a property.

All buyers whose income is calculated by the City to be at or below 50% of the Area Median Income must meet with a Boulder County Housing Counseling Program counselor for a one-on-one budget counseling meeting after their income and asset eligibility has been determined. Housing Counseling is offered at no charge to participants. Counseling services are available to all applicants free of charge regardless of the household income.

Homebuyers must bring a copy of the Form 1003, Initial Fee Worksheet or Good Faith Estimate, and Truth-in-Lending statement to the meeting with the housing counselor.

All homebuyers, regardless of income, must demonstrate that their household budget is sufficient to afford the proposed mortgage payment, including principal and interest payments, taxes and insurance payments, and homeowners' association dues, if applicable. Homebuyers must also demonstrate that they will have the ability to build a savings or home maintenance account if they purchase a home with the assistance funds.

Final eligibility for the Program will only be determined after all required documentation has been received and reviewed by the City of Longmont. The City reserves the right to deny eligibility based on any loan terms and/or budget.

L. Post Purchase Counseling

The Boulder County Housing Counseling Program offers Post Purchase Counseling free of charge to all County residents. This counseling can assist owners who are in default on their first mortgage or down payment assistance loan or who are in foreclosure. Information regarding default and foreclosure counseling can be found at www.bouldercountyhc.org.

Property Requirements

M. Property must be located in Boulder County.

N. Principal Residence

Single family detached houses, townhomes, condominiums, and mobile homes are eligible for purchase under the CDBG-DR DPA Program. Mobile homes must be placed on a permanent foundation or properly tied down. Mobile homes to be placed on rented lots in mobile home parks are eligible.

A property purchased through the CDBG-DR DPA Program must be the principal residence of the buyer as evidenced by the deed of trust and promissory note conditions. Homes may not be rented out while there is an outstanding Down Payment Assistance loan deed of trust on the property. Homes will be subject to recapture provisions for a period of five years.

Failure to occupy the home as the homeowner's principal residence will cause the Down Payment Assistance loan to be in default. If at any time the homeowner must vacate the property for any reason (i.e. illness, temporary most to assisted living or nursing home, long-term vacation, job transfer, etc.) the CDBG-DR DPA Program must be notified. Failure to do so will put the Down Payment Assistance loan into default.

Each year a homeowner with a Down Payment Assistance loan will receive a Verification of Occupancy form from the City that they must sign and return to the City confirming that they still live in the property. In addition, a homeowner may be required to submit a copy of their most recent utility bill with the Verification of Occupancy form. Failure to return the form and a copy of a utility bill, if requested, will result in the homeowner being in default of their Down Payment Assistance loan.

O. Owner's Acknowledgement of Acquisition Form

This form verifies that the property was either vacant or owner-occupied at the time the contract was signed and must be signed by buyer and the seller. A completed form must be provided to the Housing and Community Investment division prior to closing. **Funds may not be used to purchase properties that displace tenants or otherwise involves renters.**

P. Inspection Requirements

Homes purchased with the Program must meet all applicable local and state building codes and standards at the time of acquisition. Once an eligible household has a valid purchase contract, the City will conduct a Housing Quality Standards (HQS) inspection. Any health or safety concerns and/or code violations must be fixed prior to closing and documentation of the repairs must be submitted to the City prior to closing. If inspection issues are unable to be fixed, the property will be determined ineligible for the Down Payment Assistance Program. In some circumstances, money may be allowed to be escrowed for the repairs to be conducted after closing but before occupancy. Prior approval from the City is required and immediate health and safety issues are ineligible to be escrowed.

Mobile homes must be built after June 15, 1976. A mobile home must be built to the Manufactured Home Construction and Safety Standards (HUD Code) and display a red certification label on the exterior of each transportable section. Homes built prior to June 15, 1976, even with modifications, do not meet the HUD standards and cannot be accepted as compliant with the HUD Code.

Q. Lead Based Paint

Homes that were built in or before 1978 must have a lead-based paint visual inspection completed prior to closing. A visual test must be conducted after an applicant's eligibility has been determined and there is a valid purchase contract. If there is any chipped, peeling, flaking or otherwise deteriorating paint, it must be physically tested for lead-based paint. If the test is positive, the lead paint must be abated and receive clearance prior to closing. The Program does not cover the cost of physical testing, abating, and/or clearance testing.

R. Hazard/Homeowners Insurance

Homeowners are required to maintain hazard insurance (homeowners insurance) on all property purchased with Program funds. The City must be listed as an additional certificate holder for the duration of the down payment assistance loan. Proof that the homebuyer has obtained hazard or homeowners insurance must be provided to the City prior to closing a transaction utilizing the Program.

S. Floodplain and Floodway

A property may not be purchased that is located in the floodplain or the floodway.

T. Property Taxes

Homeowners who receive a Program loan must remain current on their property taxes as long as there is an outstanding deed of trust and promissory note for a Program loan.

Loan Terms and Legal Documents

U. Total Property Debt

The *total* debt on a property receiving a Program loan, including the first mortgage and all subordinate financing, cannot exceed 100% of the value of the property based on independent appraisal at the time of closing. Mobile homes will be assessed through the NADA value based on the make, model, year, dimensions of the mobile home, condition of the home, and amenities.

V. Loan Amount and Terms

A maximum of \$50,000 may be provided as a forgivable loan to eligible households with a gross household income at or below 80% of Area Median Income (AMI) by household size. 20% (1/5) of the loan amount will be forgiven each year over a five-year period. If the home is sold, refinanced, title is transferred, or the home is no longer the owner's primary residence, the remaining outstanding loan balance will be due and payable.

W. Security

All Program loans must be secured by a promissory note and a deed of trust, which will be recorded on the property. Loans may be approved with the DPA Program interest in a second position, but not in a third position unless in conjunction with a Community Land Trust project, Colorado Housing and Finance Authority loans and/or approved by the Advisory Committee. The deed of trust will be released from the property once the loan has been repaid in full or completely forgiven. Mobile homes will be secured with a Chattel Mortgage and a promissory note. The City of Longmont will be listed on the title as the senior lien holder if the purchaser is not receiving any other financing. The City will be listed as the junior lien holder on the title if the purchaser is receiving additional financing for the purchase of the home.

X. Loan Collection and Refinancing

If any or all parts of the property are sold, refinanced, or transferred at any time, the Program will require immediate payment in full of all sums owed and secured by the promissory note.

In certain circumstances, a household may refinance without any cash out. All homeowners must first meet with a Boulder County Housing Counselor before the City will consider subordinating the Down Payment Assistance loan to the refinanced mortgage. The City will not agree to subordinate to any refinance mortgage that is a subprime, interest-only, or adjustable-rate mortgage. Furthermore, the City may decline to subordinate for any reason.

The only exception to the no-cash out refinance policy may be if the household can document a bona fide medical emergency where refinancing to obtain the equity is needed to cover medical expenses. In all instances, a homeowner must first meet with the Boulder County Housing Counseling Program to identify any alternative options to taking out a home's equity (such as deferring payment for specified period of time) and/or to ensure that the refinanced loan otherwise meets the City's requirements and is appropriate for the household's financial situation. The Advisory Board will then be consulted for approval if alternative options are determined not to be feasible. If approved by the Advisory Board, the Program loan may be subordinated to a second mortgage to a refinanced loan with cash out. Under no circumstances will the City will refinance to a subprime, interest-only, or adjustable-rate mortgage.

VII. Compliance with Appropriate Laws and Regulations

- Y. The Boulder County CDBG-DR Down Payment Assistance Program is committed to helping applicants purchase a home in Boulder County repair in order to return to a pre-flood routine. The Program must be operated in strict compliance with the appropriate laws and regulations governing State and Federal funds. These policies are intended to ensure that they programs will be compliant and in accordance with State and Federal fraud prevention requirements.
1. ***Record retention***
Each DPA Program manager shall maintain all records related to products, transactions or services under this program for a period of five (5) years after the State grant is closed by HUD pursuant to 24 CFR 570.490(d).
 2. ***English Proficiency***
It is the Program's policy that applicants without sufficient English language proficiency to represent themselves through the DPA process will be provided support to allow their participation in the Program.
 3. ***Elderly and/or special needs***
DPA Program policies and operating procedures are designed to ensure that eligible elderly persons and persons with special needs are able to successfully participate in the program.
 4. ***Environmental***
The National Environmental Protection Act (NEPA) requires Federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions. To fully consider the environmental consequences of a proposed action, the Federal agency often prepares and Environmental Assessment (EA). For CDBG-DR funded actions, the primary purpose of the EA is to (1) assess the applicant property for environmental issues, and (2) propose mitigation measures to offset environmental impacts. A site specific environmental review will be conducted prior to the City providing any assistance funds. An environmental review will be conducted once an applicant's final eligibility for the Program has been determined and they have identified a property for purchase.
 5. ***Anti-Fraud compliance***
 - Fraud Prevention: The City of Longmont will put in place internal fraud prevention methods to protect the grant funds from improper payments, intentional or unintentional. Below are some of the approaches that will be taken to address them.
 - Public Website; The City's CDBG-DR website will address the Program and include the contact details for the Fraud Prevention Hotline in applicant materials. The telephone number for the fraud reporting hotline is 303-886-6234 and the e-mail address is osafraudhotline@state.co.us. All communications will be kept confidential. The hotline and e-mail address are maintained by the Office of the State Auditor.
 - Cooperation with Federal and State Monitors and HUD office of Inspector General; All Program staff will provide cooperation to State and Federal monitors and inspectors. This means allowing access to program related materials and providing support to the monitors or inspectors when requested.
 - Referral of Suspected Fraud: It is the affirmative responsibility of any City employee and any Program staff that has reasonable suspicion that any form of fraud is occurring, to notify the appropriate State or Federal agency or department. Notification of suspected fraud can be made to the Office of the State Auditor. Referrals should be based on a reasonable belief that a fraud has been committed.
 - Draw/Payment process: The CDBG Coordinator will review and approval all draw requests submitted by staff under the Program. Requests for payments will be accompanied with all required back up documents and kept in the appropriate applicants file.

VIII. Mobile Home Park Optional Relocation Policy

The Mobile Home Park Optional Relocation Policy (Optional Relocation Policy) only applies to mobile home parks where the City is acquiring or intends to acquire land for flood mitigation work. When determined to meet an urgent community need under 24 CFR 570,.208(c), CDBG/CDBG-DR funds may be used for the relocation of an owner of a mobile home legally residing at a mobile home park that the City is purchasing for flood mitigation. Funding for the purchase of a new home will be an eligible cost under the CDBG-DR DPA Program.

CITY OF LONGMONT

Duplication of Benefit Policy

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5155) prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which he or she has received financial assistance under any other program or from insurance or any other source. In accordance with the Stafford Act, CDBG Disaster Recovery funds issued through the City of Longmont Housing and Community Investment Division may not be used for any costs for which other disaster recovery assistance was previously provided for the same purpose.

The Stafford Act directs administrators of Federal assistance to ensure that no person, business, or other entity will receive duplicative assistance and imposes liability to the extent such assistance duplicates benefits available to the person for the same purpose from another source. The amount of the duplication is the amount of assistance provided in excess of need. The City's Duplication of Benefit (DOB) policy adheres to the guidelines published in the Federal Register/Vol.76, No. 221/Wednesday, November 16, 2011.

There are various programs that the City of Longmont will administer that are subject to the Duplication of Benefit policy. Each program will have operational procedures which contain detailed provisions identifying the documents to be provided by applicants for assistance, as well as the procedures for how these documents will be verified.

Regardless of the program, the first step of the DOB calculation is to determine the amount of funds previously received or made available to assist with disaster needs. During the intake/application process, persons, business concerns and other entities receiving City financial assistance will be required to disclose all sources of disaster recovery assistance received, and the City will verify the amount received by reviewing source documents. For each program established in the Action Plan, the City will provide forms and procedures addressing DOB. Each procedure will require the City to:

1. Identify the total need of assistance for the eligible activity
2. Identify all potentially duplicative assistance
3. Identify assistance determined not to be duplicative for the activity
 - Funds used for a different, eligible purpose
 - Funds not available to the applicant, e.g., forced mortgage payoff, contractor fraud, etc.
 - Funds from a private loan not guaranteed by SBA, forgivable loans are duplicative
 - Any other asset or line of credit available to the applicant, e.g. checking or savings accounts, stocks, etc.
4. Perform a calculation to determine the total funds available from other sources for the activity.
 - Calculated by subtracting the total assistance received from the total funds needed to complete the activity.
5. Perform a calculation determining the maximum eligible award.
 - Calculated by subtracting the assistance from other sources (duplicative assistance) from the total need for assistance.

6. Require all applicants to sign an agreement to repay any assistance provided using CDBG-DR funds when/if other funds were later received for the same purpose as the CDBG-DR funds. The City of Longmont, Housing and Community Investment Division will monitor compliance with the agreement for minimum of one year, by contacting the various agencies as noted above/and or listed in the original DOB calculation.
7. Recapture funds if necessary. If additional need is established, subsequent funds would not be considered a duplication of benefits (76 FR 221, 71062). If additional need is not demonstrated, disaster recovery funds must be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose. If CDBG-DR funds or non-Federal funds were provided last and unknowingly create duplication, the method of recapturing the CDBG-DR funds the City provided will be consistent with OMB Circular A-87. Time frames will include an annual review of DOB as noted above and the City's normal collection policies.

The following represents the basic framework that will be utilized for DOB verification in all CDBG-DR programs.
Basic framework:

1. Identify Applicant's Total Need	\$100,000
2. Deduct assistance determined to be duplicative of the work to be paid for by the City	\$30,000
2. Maximum eligible award (item 1 less item 2)	\$70,000
3. Program cap (if applicable)	\$50,000
4. Final award (lesser of items 4 and 5)	\$50,000

In addition to using this framework the City will use a Duplication of Benefit Review Worksheet, applicable to the type of assistance being provided (Housing, Infrastructure or Economic Development) to ensure compliance with DOB requirements.

All documentation of DOB and monitoring of such will be stored in a hard file at the City of Longmont and in the electronic data base for the applicable program.