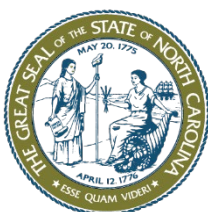


ATTACHMENT G | JUNE 2025 | V2

Duplication of Benefits Policy

North Carolina Department of Commerce
Division of Community Revitalization



NC DEPARTMENT
of COMMERCE
COMMUNITY REVITALIZATION

Revision History

Version	Date	Description
1	May 30, 2025	Helene Certification submission: Duplication of Benefits Policy
2	June 25, 2025	Helene Certification resubmission: Duplication of Benefits Policy
3		
4		
5		
6		

Table of Contents:

1. Duplication of Benefits (DOB) Process Overview	1
2. Determining Total Need	3
3. Duplication of Benefits (DOB) Analysis.....	4
4. DOB for Direct Assistance Programs.....	4
5. Duplication of Benefits (DOB) Analysis for Capital Projects	7
6. Non-Duplicative Assistance (Non-DOB)	8
7. Funds Received for a Different Purpose	8
8. Verification of Benefits (VOB)	10
9. Direct Assistance Programs.....	10
10. Capital Projects	11
11. Verifying Eligible Use of Disaster Assistance Funds in Direct Assistance Programs	11
12. Determining Unmet Need.....	11
13. Program Award	12
14. Subrogation and Recapture/Repayment	13
15. Monitoring.....	14
16. Procedural Responsibilities and DOB Procedures.....	14

Duplication of Benefits Policy

1. Duplication of Benefits (DOB) Process Overview

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, (42 U.S.C. § 5121 - 5207) aims to prevent the duplication of disaster recovery benefits. The specific prohibition for Duplication of Benefits (DOB) is defined at 42 U.S.C. § 5155(a) as “...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.”

Further, the “necessary and reasonable” cost principles in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards in Subpart E of 2 CFR part 200 also prohibit CDBG-DR grantees from charging to these funds a cost paid by another source.

The methodology used for determining total need, total assistance and DOB, unmet need and award amount will vary depending on the specific program. The North Carolina Department of Commerce’s Division of Community Revitalization (DCR) operates the Helene CDBG-DR disaster recovery allocation. The meaning of the term “Applicant” in both types of programs is an individual or entity that applies for or requests CDBG-DR assistance.

1.1 Direct Assistance

This category includes programs such as the Reconstruction and Rehabilitation (R&R) for Owner Occupied Units. Applicants to this program are typically individuals with a discrete need related to disaster recovery housing.

1.2 Capital Projects

This category includes the Community Infrastructure, Multifamily Construction, and Commercial District Revitalization programs.

- Applicants to these programs are typically organizations, businesses, units of general local government, or quasi-governmental entities with recovery or mitigation needs.
- Workforce Housing for Ownership are typically for local governments, public, private, or non-profit organizations, Community Housing Development Organizations (CHDOs), and Community Based Development Organizations (CBDOs)

HUD prescribes a basic DOB calculation framework. The framework includes the following steps:

1. Assess applicant need.
2. Identify total assistance.
3. Exclude non-duplicative amounts.
4. Identify the DOB amount and calculate the total award.
5. Reassess unmet need when necessary.

DCR programs adhere to this basic formula, although the context and execution of the assistance that is reviewed differs based on the type of program offered.

The basic DOB process for each type of program is explained in Section 2.0 below. Table 1 provides an overview of the DOB and award process by program. Please note that total assistance for each program and the sources of DOB listed below are expounded in each program manual.

Table 1 - DOB Process by Program, May 2025

Program	Total Need	DOB Analysis: Examples of DOB Sources	Potential Examples of Non-DOB	Unmet Need	Program Award Amount
Reconstruction and Rehabilitation Program for Owner Occupied Units	Damage Repair Verification (DRV) plus Estimated Cost of Repair (ECR)	All DR funds (insurance, FEMA, etc.) rec'd for repair, elevation or replacement depending on need	In-kind services, rental assistance, funding for contents, private loans	ECR plus DRV (for applicants eligible for reimbursement)	Unmet need minus verified DOB, or program cap, whichever is less
Workforce Housing for Ownership	Total development cost (hard and soft) in the project development budget	Other project financing available such as LIHTC, historic or state tax credit syndication proceeds, subsidized loans, CDBG, etc.	Rent subsidies, etc.	Total project cost minus DOB (total available financing)	Unmet need or program funding cap, whichever is less
Community Infrastructure	Total development cost (hard and soft costs) as indicated in the project budget	Other financing available for project financing such as TIF, bond funds, local capital funds, CDBG, FEMA PA, etc.	Funds for operations, maintenance of infrastructure	Total project cost minus total available financing	Unmet need, or project cap, whichever is less.
Multifamily Construction	Total development cost (hard and soft) in the project development budget	Other financing available for the project such as PH Capital Funds, Choice Neighborhood initiative, LIHTCs, CDBG, etc.	Operating costs, rent subsidies	Total project cost – DOB (total available financing)	Unmet need or program funding cap, whichever is less

Program	Total Need	DOB Analysis: Examples of DOB Sources	Potential Examples of Non-DOB	Unmet Need	Program Award Amount
Commercial District Revitalization	Total development cost (hard and soft) in the project development budget	All DR funds (insurance, FEMA, SBA etc.) rec'd for repair or replacement depending on need	Owner contributions	Total project cost minus DOB (total available financing)	Unmet need or program funding cap, whichever is less

DOB analyses are performed on a case-by-case basis; no funding source is categorically excluded. DOB is verified using the latest data from a third-party source when available.

2. Determining Total Need

The process for determining “total need” varies by program. For the Reconstruction and Rehabilitation (R&R) for Owner Occupied Units, total need is determined when the program performs a damage repair verification (DRV) and estimated cost of repair (ECR) inspection. The DRV provides the scope of work and amount of funds spent on completed repair while the ECR provides an estimated cost to repair the remaining items and restore the property. The DRV and ECR together provide the total need amount.

For capital projects, the total need is defined as the total project cost or total development cost, and this is verified through a cost analysis. For infrastructure projects, an estimate of the cost of the attributable damage caused by the storm event is performed. Then, the cost to harden a facility or structure (to mitigate future storms causing repeated damage, loss of service/use, causing environmental degradation, etc.,) actual repair/rehabilitation costs, and other factors will determine the scope and the cost of the project. The resultant estimate represents the total need. Unmet need may alternatively refer to the CDBG-DR share of an infrastructure project cost. In instances where CDBG-DR funds are part of a FEMA match, the unmet need is the amount of the match required to complete the project and pay for any mitigation or resiliency measures that FEMA funds may not provide for.

In the instance that an application for federal assistance under the Program is for an eligible infrastructure or multifamily housing project involving rehabilitation, the cost of storm damage will be based on actual damages incurred and an independent cost estimate (ICE) shall be performed at the time that a subrecipient/applicant submits a project application. Once the design/engineering/architecture request for proposal has been released and a top-ranked offeror has been recommended by the selection advisory committee, a cost reasonableness memorandum (CRM) will be prepared to determine if the top-ranked offeror’s proposal is reasonable. In these cases, total project cost minus total project financing indicates the unmet need. For multifamily development (including public housing) involving new construction, total development costs as shown on a project development budget or proforma will represent total need.

3. Duplication of Benefits (DOB) Analysis

In order to determine if there is a DOB, 84 FR 28836, June 25, 2019 (The DOB Notice) requires DCR, as the recipient of CDBG-DR funds, to identify “total assistance” to an applicant of its programs. Total assistance includes all reasonably identifiable financial assistance available to an applicant (applicants may be individuals, businesses, subrecipients, or other entity). Therefore, Program applicants are required to disclose all financial disaster assistance that is received, committed to or anticipated by the applicant. Total assistance includes “available assistance,” meaning assistance that the applicant has received and has legal control over.

An individual analysis of each applicant’s DOB will be performed. Total assistance to the applicant will be reviewed. Funds received for the same purpose will be considered a DOB and will be verified against SBA and other subsidized loans. Duplicated funds which are unsupported or were spent on ineligible uses (i.e., spent on an activity considered ineligible or not allowed by the funding source) will be considered a DOB, not a non-DOB, as funds must be used for their intended purpose. The principle of cost reasonableness will be incorporated, and awards will be based on unmet needs or program caps, whichever is less. Programs will establish any DOB prior to issuing awards.

4. DOB for Direct Assistance Programs

The Reconstruction and Rehabilitation (R&R) for Owner Occupied Units program provides direct assistance to individuals. Therefore, conducting a DOB analysis for applicants to this program requires a review of the assistance received for each individual that participates in the program. In order to determine an applicant’s Total Assistance, the Program will collect all disaster assistance made available to an applicant. Applicants to each program must disclose all financial disaster assistance awarded and/or received in response to storm-related damage, including the following sources:

- Federal Emergency Management Agency (FEMA);
- National Flood Insurance Program (NFIP) and Increased Cost of Compliance (ICC);
- Small Business Administration (SBA)/subsidized loans;
- Private insurance;
- State-funded Disaster Recovery Act (DRA) funding; and
- Other state, local, or federal programs, grants, or initiatives.

If the disaster assistance funds are determined to be a duplication of benefits after a full analysis and verification, the total amount of the DOB is subtracted from the total need amount. The following sources of funding assistance are described further below and are verified for each applicant.

4.1 FEMA Individual Assistance (IA)

FEMA Individual Assistance (IA) assistance amount and purpose will be determined and verified by the Program through the FEMA NEMIS database.

If the Program is unable to verify the FEMA IA amount through the FEMA NEMIS database, it will use the payment amount disclosed by the applicant at the time of application, supported by FEMA award documentation. If an applicant can provide FEMA award documentation demonstrating that the FEMA IA amount and/or purpose provided by the FEMA NEMIS database differs from the amount and/or purpose in their FEMA award documentation, the Program will accept the applicant's copy of the FEMA award documentation when completing its DOB analysis.

4.2 FEMA National Flood Insurance Program (NFIP) and Increased Cost of Compliance (ICC)

The Program will collect NFIP flood insurance and Increased Cost of Compliance (ICC) payment information from the applicant through the application process. In addition, the Program will work directly with NFIP to verify the information provided by the applicant.

However, insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefit, as long as documentation from the mortgage company shows that the payoff was involuntary. The applicant will need to provide supporting documentation demonstrating that the mortgage payment was involuntary, and the Program will attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is considered a duplication of benefit that will be counted against an applicant's award.

4.3 Small Business Administration (SBA) and Other Federally Subsidized Loans

Subject to HUD's Universal Notice of January 8, 2025, and revised March 2025 and the Allocation Announcement Notice of January 16, 2025, the following applies:

- The State must not treat declined loans (including SBA loans) as a DOB or consider declined loans in the DOB analysis.
- The State may consider declined loans for other reasons, such as underwriting.
- The State must not treat cancelled loan amounts as a DOB if the grantee has the right documentation.

The Program will not count the amount of an applicant's declined or cancelled subsidized loan as DOB in accordance with 84 FR 28836 if the requirements below are met.

Declined SBA Loans

Declined SBA loans are loan amounts that were offered by the lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. The Program will not treat declined loans as DOB. The Program will request documentation for the declined loan only if the information received from the third party (SBA, FEMA, etc.) indicates that the applicant received an offer for the subsidized loan and the program is unable to determine from that available information that the applicant declined the loan. The applicant will complete the Affidavit of Subsidized Loan form. The Program will submit the Affidavit of Subsidized Loan to the SBA (or other lender) and will re-verify DOB at project completion.

Canceled Loans

Canceled loans are loans (or portions of loans) that were initially accepted, but the loan commitment terms have expired, the loan has been withdrawn, all or a portion of the loan was not disbursed and is no longer available to the applicant, or cancelation was requested by the borrower. The following documentation will be required to demonstrate that any undisbursed portion of an accepted subsidized loan is canceled and no longer available to the applicant:

- A written communication from the lender confirming that the loan has been canceled and undisbursed amounts are no longer available to the applicant OR
- A legally binding agreement between the Program and the applicant entitled the Affidavit of Subsidized Loan Form, indicating that the period of availability of the loan has passed and the applicant agrees not to take actions to reinstate the loan or draw any amounts in the future.
- In the case where the applicant has canceled the loan but has not yet passed the period of availability, the applicant will be required to sign the Affidavit of Subsidized Loan Form. In signing this affidavit, the applicant certifies that they will not take action to reinstate the loan or draw more funds; and that they understand that they are subject to a DOB analysis once the period of availability has passed which could affect their award amount. Further, the affidavit will contain the warning language in Section 7.

Without either of the two documents listed above, any approved but undisbursed portion of a subsidized loan shall be included in the DOB calculation of the total assistance unless another exception applies.

For all canceled SBA loans, the Program will send the Affidavit of Subsidized Loan to SBA (or other lender) as notification that the applicant has agreed to not take any actions to reinstate the canceled loan or draw down any additional undisbursed loan amounts. In cases of canceled loans where partial disbursements were made prior to the cancellation of the loan, the disbursed funds will be treated as funds disbursed for active loans below. As with declined loans, awards with canceled subsidized loans will have DOB re-verified at project close-out.

4.4 Private Insurance

All property or casualty insurance, including flood and settlement amounts for loss to dwellings must be disclosed. Private insurance payments for contents or other similar expenses will likely not be deducted from the applicant's award as this would not be considered a DOB. Insurance proceeds are initially determined by the Program through applicant-provided information.

Applicants must also authorize the Program to contact third-party private insurance providers to verify information provided by the applicants. Third-party re-verification will only occur if the applicant self-certifies that a claim has been filed and the applicant is unable to provide a claim summary.

However, insurance proceeds taken by a mortgage company as a forced mortgage payoff will not be counted as a duplication of benefits, as long as the applicant provides adequate documentation. The applicant will need to provide supporting documentation demonstrating that the mortgage payment was involuntary, and the Program will attempt to verify this information with the applicant's mortgage company. Voluntary mortgage payoff using insurance proceeds is a duplication of benefits that will be counted against an applicant's award.

4.5 Other Assistance

All applicants are required to disclose all other disaster assistance received, such as funding provided by the state-funded Disaster Recovery Act (DRA) received to assist in rebuilding their home. All assistance must be accounted for and verified by the Program. In addition, supporting documentation related to other duplicative funding sources must be provided by the applicant and verified and applied in the duplication of benefits analysis by the Program.

5. Duplication of Benefits (DOB) Analysis for Capital Projects

DCR also funds affordable housing and multi-family housing projects, economic revitalization, Workforce Housing for Ownership, and infrastructure projects which serve a general community-wide benefit. All subrecipients, contractors or vendors participating must disclose all project financing and/or financial disaster assistance available to meet project needs (i.e., total need).

In the case of capital projects, primarily infrastructure, economic revitalization, and multifamily projects, the DOB process will ensure that CDBG-DR funds are used to supplement project financing and will not supplant federal, state or local funds. A DOB review for these types of projects is sometimes referred to as a "Sources and Uses" review. The nature of this review is dependent on the facts and circumstances of the project but in all instances will be documented in the project file. State and federal sources of project financing will be considered a DOB, insofar as those funds are also not required to complete a portion of the project unfunded by CDBG-DR funds.

In Affordable Housing, available financing resources will be considered a DOB. For both Public Housing and Affordable Housing projects all other project financing will be examined as a DOB and subtracted from the total development cost (which is the total need) to provide the unmet need amount. CDBG-DR funds will not exceed the unmet need amount, or the program cap, whichever is less.

For infrastructure and multifamily projects, DOB will be reviewed at each instance of a change order in the construction phase. At each step, DOB and Non-DOB will be determined, and all DOB will be verified. The DOB analysis for capital projects is followed by an Order of Assistance review. The order of assistance for CDBG-DR appropriations provides that CDBG-DR funds may not be used for activities reimbursable by or for which funds are made available by FEMA or the United States Army Corps of Engineers (USACE). DCR will verify whether FEMA or USACE funds are available for program activities before awarding CDBG-DR assistance for costs carrying out the same activity. If FEMA or USACE funds are available, assistance must be requested from those sources prior to receiving CDBG-DR assistance. If FEMA and USACE can provide funding, then CDBG-DR funds cannot be distributed, as this would result in a DOB. Other potential sources of DOB for capital projects include but are not limited to:

- Private or nonprofit organizations or donations;
- Disaster Recovery Act (DRA) funding;
- Syndication proceeds from Low-Income Housing Tax Credits, state and/or historic credits (for multi-family projects);
- Local past and prospective bond initiatives (for infrastructure and multi-family development);
- Dedicated local accounts to repair/replace infrastructure that are in a locality's Capital Improvement Plan (CIP) (for infrastructure); and
- Other state, local, or federal programs, grants, or initiatives.

6. Non-Duplicative Assistance (Non-DOB)

After assessing all assistance received, the Program will determine which assistance received is not a duplication. Once the specific assistance received is determined to not be a duplication, that assistance is excluded from the DOB calculation and no further consideration of those funds is necessary.

While the examples below most clearly relate to direct assistance programs, capital improvements and public service programs follow the same principles.

7. Funds Received for a Different Purpose

Assistance received for a different purpose do not duplicate CDBG-DR funds. An example of a non-DOB of financial assistance provided and used for a different purpose is insurance proceeds for loss of contents as Programs do not provide assistance to restore contents.

For this category of Non-DOB, it is not how funds were applied which is relevant but what the funds were provided for from the source that provided the funds to the applicant. For instance, if an insurance document specifically cites contents as the reason for the payment, these funds would be considered non-duplicative. However, if an applicant uses funds provided explicitly for the repair of their property to restore contents, those funds would continue to be considered a duplication as the purpose of the funds was the same as the purpose of the CDBG funds.

DCR cannot make a blanket determination on the purpose of assistance received and each applicant's unique assistance scenario must be reviewed separately.

7.1 Funds Received for the Same Purpose, Different Allowable Use

At times an applicant may receive assistance and apply that assistance to items that might otherwise be eligible for CDBG-DR funding. For example, an applicant received funds for the purpose of housing rehabilitation and used those funds to repair their damaged roof. CDBG-DR funds may ordinarily fund this repair, but instead will fund the repair of remaining items to complete the repair, if necessary.

In these instances, a calculation of the amount applied to recover is conducted and not considered a duplication of benefit. The manner in which the program determines how much funding was applied to a different allowable use is dependent on the program. Each program manual will outline the process by which this calculation is complete.

7.2 Funds Not Available to the Applicant

In some instances, such as when an insurance company requires an applicant to pay their mortgage with an insurance payment, the applicant may never have control of the funds received. When funds received are not in the control of the applicant they will not be considered a duplication. However, if funds were not in control of the applicant but applied for the same recovery purpose (i.e. the funds were used for repairs, despite not being in control of the applicant), those funds may still be considered a duplication. Generally, it is incumbent on the applicant to demonstrate that they did not have control of the funds.

7.3 Private Funds

Private funds, including un-subsidized loans, credit cards, banking account balances, retirement accounts, cash gifts, liquid assets, and other funds are not considered a duplication. DCR does not require applicants to report on private funds.

7.4 Funds for General Recovery

Funds received to recover without a specific recovery purpose are generally not considered a duplication of benefit. Examples of funds for general recovery may include charitable contributions received by the

applicant. The Program will review funds received to determine whether the funds constitute general recovery or are received for a specific purpose.

8. Verification of Benefits (VOB)

To meet HUD requirements and verify all potentially duplicative funding, the Program will attempt to obtain the best and most recent available DOB information before providing CDBG- DR assistance to an applicant.

9. Direct Assistance Programs

For programs that provide assistance to individuals, applicants will be required to disclose all disaster assistance received at application and must provide all documentation related to that assistance. Applicants to individual assistance programs will sign a Consent to Release form as part of their application packet submission that will allow the Program to conduct third-party verification of applicant-provided information and documentation.

Once applicant-provided information is collected, all duplication of benefits will be verified and uploaded into the Program's system of record. Verified duplication of benefits (VOB) from all sources will be used in determining any CDBG-DR awards which will be based on unmet need.

The first goal of the VOB process is to compare the Property Owner's reporting of the amounts and purposes of benefits received with the benefit amounts and purposes reported by third party verified sources. The second goal is to detect DOB errors and make corrections prior to determining an award amount for an applicant.

To comply with the federal prohibition against the duplication of disaster benefits, the Program will verify all disaster assistance received or anticipated by an applicant as follows:

- Verify all sources of disaster assistance received by the applicant by conducting third-party verification, as applicable. Data feeds from SBA, FEMA NEMIS and NFIP will be used to verify those sources of assistance.
- Obtain documentation indicating the source of award/funds and purpose of assistance funds/monies. The program will want to view original copies of letters, claim awards, checks, receipts, etc., if possible, but copies of original documents may also be accepted to verify those forms of assistance unavailable from a formal data feed such as insurance claims, and other assistance.
- If there are questions about the amount or type of funding provided, DOB staff will perform due diligence to verify the amount and the purpose of the assistance provided. Staff will send the funding entity a request for information along with the applicant's Consent to Release form. If the entity does not respond within 30 calendar days, the Program will accept an applicant's attestation regarding amount and purpose of the funds.

10. Capital Projects

For capital projects and public services, the VOB process involves the Order of Assistance Verification which takes into account a more expansive universe of potential project duplicative and non-duplicative funding sources. Per the subrogation clause in the subrecipient agreement, subrecipients must return to DCR any funds found to be a duplication of benefit, ineligible, unallowable, unreasonable, or non-compensable, no matter the cause. Under this clause, should a subrecipient receive CDBG-DR funding to support an activity and subsequently receive additional funding that would render the CDBG-DR funds a Duplication of Benefits, the duplicative CDBG-DR funds must be returned to DCR. Following the Duplication of Benefits review, projects undergo iterative funding and scope reviews to check for Duplication of Benefits.

11. Verifying Eligible Use of Disaster Assistance Funds in Direct Assistance Programs

In general, DCR's Programming does not accept receipts as a method of verifying that funds were spent for the purpose intended by the funding source. For the R&R, a DRV and an ECR inspection is performed on Total Need above for a description of the inspections). The DRV will indicate the scope and estimated cost of the repairs made and how disaster funding received was used, and the ECR indicates the remaining repairs (and the associated cost) to be completed.

For the R&R Program, the ECR indicates what repairs remain and the estimated cost of those repairs; the ECR amount represents unmet need. If the DRV estimate is less than the disaster recovery funds received for the same purpose, homeowners may appeal their DOB or DRV. The program will consider receipts only under appeal. In such cases, the Program will consider those receipts that verify that specific additional repair work was completed. Receipts must be legible, dated post-disaster, and indicate a related repair item (e.g., lumber, glass, etc.), bona fide use (e.g., roof repair, brick repointing, etc.).

For certain eligible applicants the amount of the ECR that exceeds the verified duplication of benefits may be reimbursed to the applicant.

12. Determining Unmet Need

Prior to award determination, the Program will determine an applicant's unmet need (see Table 1 - DOB Process by Program, May 2025). Unmet need is defined as:

- **Reconstruction and Rehabilitation Program for Owner Occupied Units:** The combination of the ECR and DRV, minus any verified duplication of benefits received. The DRV is important in the consideration of a potential reimbursement award, which the program considers an unmet need for certain applicants.

- **Capital Projects:** Unmet need is total project/development cost minus available financing.

13. Program Award

Each program has its own policy and procedures for determining award amounts however the basic steps below will occur in all Programs when determining award amounts:

- Determine Total Need;
- Determine Total Assistance received and anticipated;
- Subtract Non-DOB;
- Verify assistance to obtain total VOB amount;
- Subtract total VOB from Total Need to determine Unmet Need;
- Determine the award amount, generally the difference between unmet need and verified DOB.

To illustrate the general DOB through award calculation process for various programs, two examples of the DOB and award process are summarized below.

Table 2 - Example 1: Reconstruction and Rehabilitation Program

#	Title	Amount
1	Estimate Applicant's Total Need: DRV amount* + ECR Total Need =	\$75,000
2	Total Assistance Received	\$50,000
	Insurance proceeds for flood damage	\$25,000
	Insurance proceeds for contents	\$5,000
	FEMA for repair of the home	\$20,000
3	Non-DOB (funds for a different purpose - contents)	\$5,000
4	Total DOB*	\$45,000
5	Total VOB (DOB verified)	\$45,000
6	Total Unmet Need (Total Need minus VOB)	\$30,000
7	Maximum Program Award*	\$30,000
8	Program Cap for rehab**	\$70,000
9	Final award (=maximum award as it is less than cap)	\$30,000

Table 3 - Example 2: Community Infrastructure Program

#	Title	Amount
1	Estimate Applicant's Total Need: The damage assessment, rehabilitation/replacement cost; future mitigation costs associated to ensure continued life of project cost analysis performed to verify total cost	\$1,500,000
2	Total Assistance Received Municipal insurance proceeds for flood damage	\$ 250,000 \$ 250,000
3	Non-DOB	\$ 0
4	Total DOB	\$ 250,000
5	Total VOB (DOB verified)	\$ 250,000
6	Total Unmet Need (Total Need minus VOB)	\$ 1,250,000
7	Maximum Program Award	\$2,000,000
8	Final Award (maximum award, as it is less than cap)	\$1,250,000

14. Subrogation and Recapture/Repayment

As a condition of accepting an award from a DCR Program, applicants are required to sign subrogation and recapture/repayment clauses and agreements, as required by HUD and as set in policy for each DCR program. Further, DCR will not disburse funds to an applicant until such agreements are signed by the applicant. The required Subrogation and Assignment Agreement (Agreement) requires that applicants notify the program of any DOB received and repay any duplicative assistance received, including repayment of any assistance received later that is for the same purpose as the CDBG-DR funds awarded. The subrogation agreement/clause also states that such DOB funds may affect the applicant's award amount by reducing it by the amount of the DOB (at application or award).

Also, for the provision of CDBG-DR funds specifically, the following statement will be included in the Subrogation and Assignment Agreement (or clause) to be executed by each Program awardee as required by DR-4827-NC (January 16, 2025) and the Disaster Relief Supplemental Appropriation Act (Division B of the American Relief Act, 2025 Public Law 118-158 (December 21, 2024) funds:

“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18. U.S. C. 287, 1001 and 31 U.S.C. 3729.”

15. Monitoring

Monitoring of all programs will be undertaken in accordance with the Compliance Monitoring Manual.

16. Procedural Responsibilities and DOB Procedures

The system of record will indicate specific staff by name performing each applicant intake and management task. The table below indicates the positions responsible for overseeing the indicated program including DOB-related tasks. Questions about DOB or program awards should be directed to the program manager noted in the table below. Quality assurance/quality control (QA/QC) is performed by the internal compliance staff. Questions regarding QA/QC should be directed to individual program manager.

Table 4 - DOB Staffing by Program

Program	Responsible Party	DOB/VOB Source Documents
Reconstruction and Rehabilitation for Owner Occupied Units	Maggie Battaglin, Director of Housing Maggie.Battaglin@commerce.nc.gov	HRP Manual DOB/VOB SOP
Commercial District Revitalization	Emily Quinlan, Director of Economic Revitalization Emily.Quinlan@commerce.nc.gov	Infrastructure Manual Infrastructure DOB SOP
Community Infrastructure	Ayanna Hamilton, Director of Infrastructure Ayanna.Hamilton@commerce.nc.gov	Infrastructure Manual Infrastructure DOB SOP
Multifamily Construction	Maggie Battaglin, Director of Housing Maggie.Battaglin@commerce.nc.gov	Multi-Family Housing Program Manual Multi-Family Housing Program DOB SOP
Workforce Housing for Ownership	Maggie Battaglin, Director of Housing Maggie.Battaglin@commerce.nc.gov	Workforce Housing Program Manual Workforce Housing Program SOP