



SWITCHING SOLUTIONS

SOLUTION 1 VS SOLUTION 2

While the program does allow homeowners to switch solutions at any time prior to closing, it's important to understand that different solutions require the homeowner to take on different responsibilities. Read below to learn more:

BOTH SOLUTIONS:

- The damage assessor determines a scope of work for remaining repairs creating an Estimated Cost of Repairs (ECR) using **standard economy-grade materials**.
- In cases where an applicant received or was approved for funding from other sources (such as FEMA or SBA) to repair his/her storm-damaged home, federal law requires those funds to be invested by the homeowner into home repairs before the Program may provide additional dollars. These funds are known as "**Homeowner Responsibility**."

SOLUTION 1: PROGRAM-MANAGED

- The program-appointed contractor does a **Pre-Construction Walk-Through** to review the proposed scope of work and make any eligible modifications.
- If there is a **Homeowner Responsibility** amount required, the applicant must bring funds to closing in the form of a cashier's check to be placed into an escrow account in order to pay the program-appointed contractor. The program will use these escrowed funds prior to accessing grant dollars.
- There is currently no specific deadline* by which the applicant must gather the Homeowner Responsibility funds. However, the applicant cannot close until these funds are provided via a cashier's check at the time of closing.
- Only **standard economy-grade materials** are used.
- Home rehabilitation projects are limited to **program-eligible scope of work**. Remodeling is not an option.
- Reconstruction projects are limited to **pre-approved program construction plans**.
- The program-appointed contractor will complete the work according to the program-approved scope of work and the **Program will pay the contractor directly**.

*The Program may institute deadlines at a later date.

SOLUTION 2: HOMEOWNER-MANAGED

- The applicant may choose between two options for Solution 2:
 - 1. Contractor-Managed:** If an applicant chooses their own contractor, they must provide license information and the construction contract to contractor.vetting@restore-la.org.
 - 2. Self-Managed:** If the applicant chooses to act as his/her own contractor and self-manage prospective repairs, they must sign a *Self-Managed Prospective Repairs Certification Form* prior to closing during the Contractor Vetting process.
- If there is a **Homeowner Responsibility**, the Program will conduct a percent completion progress inspection to verify that the Homeowner Responsibility has been met, prior to grant funds becoming available.
- As the applicant completes work in the ECR, he/she must schedule **periodic inspections** with his/her Construction Technical Advisor (CTA). The CTA will then inspect the work to determine if a check can be issued to the applicant (if Self-Managed) or two-party check to the contractor and applicant (if Contractor-Managed).
- The applicant may use **non economy-grade materials**, but is responsible for any costs over and above the amount listed in their Estimated Cost of Repairs Report.
- The applicant must begin construction within 180 days from closing. If funds are required to start construction, they must be gathered by this time.

CHOOSE ONE OF THE FOLLOWING SOLUTIONS: SOLUTION 1: PROGRAM-MANAGED SOLUTION 2: HOMEOWNER-MANAGED

STATE THE REASON YOU ARE SWITCHING:

By signing below, I acknowledge that I must execute and close on my grant agreement by March 31, 2020 and I acknowledge my obligation to comply with the above-mentioned responsibilities:

NAME _____ ACCOUNT ID _____

(Please print)

SIGNATURE _____ DATE _____





SWITCHING SOLUTIONS

CONSTRUCTION DUPLICATIVE SCOPE

IF A HOMEOWNER CHOOSES TO SWITCH FROM SOLUTION 2 TO SOLUTION 1 AFTER CLOSING ON THE GRANT AGREEMENT:

- The Solution 1 contractor may be required to complete or redo Damage Assessment line items that were not completed properly in order for the home to pass final inspection.
- Any duplicative line items MUST be repaid to Restore Louisiana.

The following procedure will be used in instances of duplicative line items:

- All incomplete line items from the Damage Assessment will be added to the Estimated Cost of Repairs.
- The homeowner must escrow the funds for the duplicative scope in order to move forward with the construction project.

Post-closing applicants are only allowed one (1) Solution change, and the Solution change must be approved by the State. By signing below, you acknowledge understanding that any funding for duplicative line items must be escrowed prior to the Solution 1 contractor initiating work on your construction project.

CHOOSE ONE OF THE FOLLOWING SOLUTIONS:

- SOLUTION 1: PROGRAM-MANAGED SOLUTION 2: HOMEOWNER-MANAGED

STATE THE REASON YOU ARE SWITCHING:

By signing below, I certify that I acknowledge my obligation to comply with the above-mentioned responsibilities:

NAME _____ ACCOUNT ID _____
(Please print)

SIGNATURE _____ DATE _____