

STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR

ROY COOPER  
GOVERNOR

October 18, 2018

The Hon. Donald J. Trump  
President of the United States  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

**RE: Waiver Request of SBA Loan Duplication Calculation Authorized  
by H.R. 302, Pub. L. No. 115-254 (2018)**

Dear President Trump:

I appreciate your continued support of our response and relief efforts in the wake of last month's Hurricane Florence, and our work to rebuild communities devastated by the flooding from Hurricane Matthew in 2016. By signing H.R. 302 last week, which provided \$1.68 billion for long-term recovery efforts in North Carolina and other states that experienced major disasters this year, you have demonstrated the Federal government's commitment to making storm survivors whole and our communities more resilient.

On behalf of the people of North Carolina, I am writing to request your further assistance for improving our federally funded disaster recovery program. Pursuant to Pub. L. No. 115-254 § 1210 (2018), North Carolina seeks a waiver of certain "duplication of benefits" requirements imposed on the Community Development Block Grant for Disaster Recovery (CDBG-DR) program by the Robert T. Stafford Act (42 U.S.C. § 5155(a)). Specifically, I am requesting that you waive the duplication of benefits prohibition in 42 U.S.C. § 5155(a) for any assistance that is offered and/or provided in the form of a loan. I request that this waiver apply to individuals seeking CDBG-DR assistance funded by Public Law Nos. 114-254, 115-31, and 115-123, as well as H.R. 302 and any subsequent CDBG-DR appropriations for North Carolina disasters.

This waiver is in the public interest and will not result in waste, fraud, or abuse. Many individuals who have been impacted by Hurricane Matthew have applied for and have been awarded loans from the Small Business Administration (SBA). Many are now seeking funds through CDBG-DR to repair and rehabilitate their homes. Under current law, when calculating an award under the CDBG-DR program, the State of North Carolina

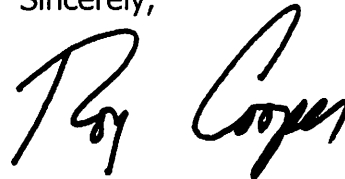
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must subtract SBA loan proceeds, resulting in a reduced grant amount for needy individuals. While sources of disaster assistance such as FEMA's Individual Assistance grants and private insurance are appropriately subtracted from CDBG-DR awards as duplication of benefits, SBA loans must be repaid by the survivor.

Because SBA loans under the CDBG-DR program reduce grant amounts by loan proceeds that have to be repaid, disaster survivors who applied for SBA loans are being penalized compared to those who did not apply for such loans. The current policy therefore discourages survivors from being diligent and applying to all applicable federal programs directly after the disaster. As a matter of equity and sound public policy, action must be taken to ensure loans from the SBA or any other source are not be included in a duplication of benefits calculation for CDBG-DR funds for Matthew or any subsequent federally declared disasters in North Carolina.

On behalf of all North Carolinians, thank you for your continued support as we rebuild in the wake of the floods of recent years. I look forward to your response to this waiver request.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy Cooper". The signature is written in a cursive, flowing style.

Roy Cooper

RC/sh