

Congress of the United States
Washington, DC 20515

April 30, 2021

The Honorable David Price
Chairman
Subcommittee on Transportation,
Housing and Urban Development
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Mario Diaz-Balart
Ranking Member
Subcommittee on Transportation,
Housing and Urban Development
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Lucille Roybal-Allard
Chairwoman
Subcommittee on Homeland Security
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Chuck Fleischmann
Ranking Member
Subcommittee on Homeland Security
House Committee on Appropriations
Washington, D.C. 20515

Dear Chairman Price, Chairwoman Roybal-Allard, Ranking Member Diaz-Balart, and Ranking Member Fleischmann:

As you begin work on the Fiscal Year 2022 Transportation-Housing and Urban Development Appropriations bill and Homeland Security bill we respectfully request that you cancel all amounts unforgiven with respect to Community Disaster Loans (CDLs) made by the Federal Government between January 1, 2006, and January 1, 2020 under sections 401 and 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. We also request that you allow the Secretary of Housing and Urban Development to waive the recoupment of federal funds owed by New Jersey homeowners in the aftermath Superstorm Sandy by no fault of their own. Taking this important action will help countless families who are currently struggling to deal with dual economic crises caused by federal recoupment efforts and the COVID-19 pandemic.

Superstorm Sandy hit our shores over eight years ago, causing major destruction up and down the East Coast of the United States. Many of the families and municipalities impacted by the storm are still struggling to rebuild, a matter that has only been exacerbated by the unprecedented economic and public health crisis our country is currently facing. During this difficult time of economic uncertainty and record unemployment, federal agencies are unfairly asking for repayment on tens of millions of dollars in loans and grants from Sandy.

As you may know, many homeowners were forced to pay back aid that was disbursed in the aftermath of Superstorm Sandy and other weather-related disasters across the country. These recoupment efforts, also known as "clawbacks", blindsided many families because of the confusing process in which the federal government recommended that they apply for federal

loans and benefits without clear guidance on repayment terms and contingencies. As a result, many individuals applied for several federal loans and benefits before additional aid through grants were distributed. While we understand that this rule was instituted to reduce fraud, waste, and abuse in the system, it has instead punished homeowners who took appropriate steps toward recovery at the advice of federal agencies. Halting further recoupment efforts would provide financial relief to these hardworking families being forced to pay back onerous debt through no fault of their own.

Additionally, after Superstorm Sandy, the Community Disaster Loan (CDL) program provided essential lifelines for municipalities to help prevent disruptions to essential services critical to maintaining the health and welfare of our communities. The program was created with the primary purpose of supporting local governments with significant tax and other major revenue losses after major disasters. We believe it would be contradictory to the program's goals to collect payments from its recipients at a time when localities are most vulnerable to steep revenue declines from the COVID-19 outbreak.

To resolve the above mentioned issues, we ask that you please consider including the following in your respective bills:

Subcommittee on Homeland Security

We request that you include language in your Committee bill similar to language included in your FY2021 bill that would achieve retroactive cancellation of CDL loans distributed in the aftermath of Superstorm Sandy.

Specifically, we request that the Committee includes the following language in the Committee bill:

“Repayments of the remaining balances of all loans, as of September 30, 2020, by the Federal Emergency Management Agency under section 417 the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5184) are hereby canceled.”

Subcommittee on Transportation, Housing, and Urban Development

We request that you include language in your Committee bill similar to language included in your FY2021 bill that would allow the Secretary to waive the recoupment of funds owed by New Jersey homeowners in the aftermath Superstorm Sandy by no fault of their own.

We look forward to working with you to alleviate this financial burden on New Jersey homeowners and municipalities.

Sincerely,



FRANK PALLONE, JR.
Member of Congress

/s/ Andy Kim
ANDY KIM
Member of Congress

/s/ Bonnie Watson Coleman
BONNIE WATSON COLEMAN
Member of Congress

/s/ Bill Pascrell, Jr.
BILL PASCRELL, JR.
Member of Congress

/s/ Albio Sires
ALBIO SIRES
Member of Congress

/s/ Donald M. Payne, Jr.
DONALD M. PAYNE, JR.
Member of Congress

/s/ Christopher H. Smith.
CHRISTOPHER H. SMITH
Member of Congress

/s/ Donald Norcross
DONALD NORCROSS
Member of Congress

/s/ Mikie Sherrill
MIKIE SHERRILL
Member of Congress

/s/ Tom Malinowski
TOM MALINOWSKI
Member of Congress

/s/ Josh Gottheimer
JOSH GOTTHEIMER
Member of Congress

/s/ Jeff Van Drew
JEFF VAN DREW
Member of Congress