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September 5, 2008

Mr. Randall Kinder AHPP Program Manager U.S. Department of Homeland Security FEMA – Disaster Assistance Directorate 500 C Street, SW, Room 401 Washington, DC 20472

Dear Mr. Kinder:

We are submitting this letter to request a formal modification of the terms of FEMA grant no. EMW-2007-GR-0880, awarded on September 7, 2007 and presently administered by the State of Louisiana through the Louisiana Division of Administration, Louisiana Recovery Authority. This request is to waive or modify the requirement that the state be the initial owner of the AHPP units. This modification will enable the State to utilize local government agencies and non-profit entities to fulfill the purpose of the Grant.

Article XII, Section E of the Approved Agreement Articles dated September 13, 2007, states that the "Grantee is the initial owner of the units." It further states that the grantee has the "right to transfer ownership of the units to local governments, individual, non-profit organizations, or other entities *in accordance with State Law.*" The State of Louisiana has significant constitutional and statutory impediments that make the transfer and disposition of immovable property from the state to other entities, including AHPP families, difficult.

The state has contacted local agencies and non-profit organizations who have expressed an interest in partnering with the state to fulfill the mission of the AHPP. Some of these entities already possess land that is available for AHPP units and are willing to assist the State with homebuyer assistance programs. However, the present language of the grant requires that the State be the initial owner.

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The State, therefore, seeks permission to allow a local governmental authority, or non-profit entity to be the initial owner of the AHPP unit and effectively a sub-grantee of the State. As such, the local governmental unit or non-profit organization would be able to effect the disposition of the AHPP units to AHPP families with considerably less complication than the State. Of course any sub-grantee would have to comply with all terms of the grant and the State would maintain oversight to ensure such compliance.

We appreciate your consideration on this matter. We request that you please respond in writing advising whether or not such a modification of the grant is acceptable to FEMA.

Sincerely,

Paul W. Rainwater

Parl W. Kainmoto

Executive Director