



CASE STUDY

Grant and Loan Management

Design and Implementation of a New Community Disaster Loan (CDL) Program

“Design a new loan application process—by Monday.”

“The Special CDL program was so much larger than the traditional program that to deliver funds quickly, we had to simplify the process as much as possible. The solution we implemented got results—and quickly—while maintaining compliance with federal regulations.”

Hurricanes Katrina and Rita were unprecedented in their impact on homes and businesses and the underlying infrastructures that supported them. The storms significantly depleted the tax base and revenues of local governments in Louisiana and Mississippi. They were unable to provide essential services to their hurricane-ravaged communities and even unable to pay salaries to government workers. They were in dire need of financial support.

The federal government’s existing CDL Program was not robust enough to support communities that had suffered so much devastation. In 2005, Congress took action and authorized the new Special CDL Program, which was a vastly expanded CDL program designed to provide more funds to more communities more quickly.

The new legislation had tremendous promise and created enormous expectations. However, it contained no details about how such a program should be implemented. The who, what, when, where, and why of the program existed—but not the how.

The Turning Point.

When the new legislation was passed, top FEMA officials immediately turned to Hagerty, which was nationally recognized for its expertise in implementing the CDL program. FEMA was aware of Hagerty’s reputation for producing effective, compliant solutions to problems that at first appeared intractable.

FEMA gave Hagerty only three days to draft a plan for implementing the Special CDL Program. Hagerty professionals, including a pre-eminent CDL expert and an accountant with more than 25 years’ experience, worked straight through a weekend to produce a workable plan. On Monday morning, the team presented a significantly streamlined CDL implementation plan that met the expanded scope and accelerated timeline of the Special CDL Program. The plan focused on:

- A streamlined application process that allowed applicants to self-certify to certain requirements
- A comprehensive and inclusive education program that gave applicants, the states, and the DHS Inspector General an understanding of all program requirements and provisions
- A rigorous validation process that enabled applicants to receive funds quickly but provided strict monitoring to prevent fraud and waste

FEMA was so satisfied with Hagerty’s approach and solution that it asked Hagerty to manage the new program’s implementation.

A Successful Journey. A Welcome Destination.

Hagerty managed the implementation of 150 loans totaling \$1.3 billion for local governments throughout Louisiana and Mississippi. Previously, FEMA had never issued more than a few CDL’s annually in amounts of \$5 million or less. FEMA was so satisfied with the expedited development of the loan packages that it asked Hagerty to develop a streamlined maintenance and monetary program for the \$1.8 billion CDL Program.



“Managing federal grant programs is complicated; the requirements are sometimes burdensome to both the federal government and the recipients. Yet, done right, the benefit of these grants far exceeds the administrative requirements.”

CAPABILITY

Grant and Loan Management

The Questions

- Do you need to reduce the administrative costs of your grant or loan program?
- Are you having trouble evaluating a recipient's compliance with federal, state, or local regulations and requirements?
- Are you looking for ways to maximize the grant and loan funds you receive?

The Facts

Government and quasi-governmental agencies offer billions of dollars in grants and loans each year. As a grant and loan maker, you understand that managing these programs requires expertise in financial management, program evaluation, and project management, as well as in-depth understanding of the regulations and policies that govern grants and loans. For potential grant recipients, simply identifying the opportunities for your organization can be incredibly tricky and made increasingly difficult by the maze of grant and loan requirements.

Hagerty professionals have a balance of the talent, skill, and experience necessary to help you with all aspects of grant and loan management. Hagerty professionals include accountants with more than 20 years experience in financial management and auditing; former government executives who have administered billion-dollar grant programs; and grant writers who have secured tens of millions of dollars for local governments. Hagerty professionals won't need to learn on the job. They're already specialists in grant and loan administration and can help you achieve your goals by focusing on your unique, specific needs.

A Day Early and a Dollar More

Hagerty professionals will work with you to manage every component of your grant and loan program; they will help you:

- Educate potential grant and loan recipients about eligibility requirements and application processes
- Evaluate and redesign grant and loan application processes
- Assess the eligibility of applicants, projects, and programs for specific grant and loan programs
- Monitor the performance of grants and loans and the compliance of grant and loan recipients
- Provide technical assistance to grant and loan recipients to improve their performance
- Develop and implement risk management and cost control measures aimed at limiting fraud and default

The results will be more cost-efficient program administration, reduced fraud, and greater compliance with the rules and regulations governing the grant.

Hagerty professionals have provided Grant and Loan Management services to many clients, including:

California Department of Health Services
 Corporation for National Service
 Department of Homeland Security
 Department of Housing and Urban Development
 Federal Emergency Management Agency