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To: [Shekter Smith, Liane \(DEQ\)](#)
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Liane

I just spoke with Steve from Region 5. EPA staff agree that principal forgiveness cannot be used for old loans. The statute that was referenced in the Kildee letter says that a state cannot bank (i.e. accumulate) the authority to use up to 30% of the cap grant for principal forgiveness. Thus, we are all on the same page. A response will be drafted.

FYI: A regional administrator will be visiting Flint for a redevelopment event later this month. Steve didn't say who the person was or when the event will take place.

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