

Louisiana Retirees are taking the fight in front of the Restore Task Force with proof the system is flawed.



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(LA OCD-DRU Policy [DOB Policy Post](#))

I am here today to present to the Restore Louisiana Homeowner Assistance Program Task Force just one example case, and that is of Mr. Wallace and Mrs. Janette Aultman of Prairieville, Louisiana.

Mr and Mrs. Aultman, a retired couple of moderate income, own their home within the Amite river floodplain and are victims of the 2016 floods.
([Low to Moderate Income](#))

The Aultman's and all Louisiana flood victims were directed by the State of Louisiana to register with FEMA and start the disaster recovery process. FEMA then gave each of us a FIT (Failed Income Test) and if we past the FIT we were then directed to apply for an SBA loan.

In the next few minutes I would like to share with you one demographic and that is our "Retirees" but, the information I am covering touches all demographics in the state of Louisiana.

Our retirees have worked for years, paid off their homes, many of them have fantastic credit scores and great credit history.

That's all they needed to qualify for loans over \$120,000 without asking the SBA disaster loan program twice. The SBA loan approval process is very relaxed and the loan amounts are truly better than any home mortgage or private lender will ever offer you.

Our OCD-DRU people are trained each year on HUD policy and procedures and very little is offered about how other agencies process applicants. Why would the OCD-DRU be interested in a FIT from FEMA or the Summary Decline Worksheet (SBA Form 2122) from the SBA?

It's just not in the OCD-DRU Scope Of Work (SOW).

But that's not to say processes from other agencies aren't mentioned during training sessions like in the April 2016 Duplication of Benefits Webinar training provided by ICF consultants working on behalf of HUD. Bonnie Lester the presenter of the CDBG-DR webinar stated and I'll quote: "It's reasonable to think that SBA sort of did underwriting to see if the beneficiary met certain requirements, if they could afford to repay the loan, all of those things." It was this line that lead me to read the SBA Disaster Loan Standard Operating Procedure Manual.

I wanted to find out just what the SBA is looking for when they offer up \$120,000 loans to our retirees.

The People of Louisiana have to trust the system and we have to trust that our state employees working in the OCD-DRU are receiving the best training possible and the best most accurate data to assist them with their jobs.

I am not here to point a finger, I am here to offer a solution that our state can today vote on and act on without the need of HUD policy approval or any edits to our current policy. We just need to follow the policies we have in place to the letter and push through our disaster recovery from the 2016 floods.

Exhibits: Grant Award | Document Dear Borrower | Data Feed Data Table | CDBG-DR Training link

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