

Louisiana Homeowners Assistance Task Force steps beyond bounds of all past Task Force members of any disaster



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Do you know how much authority your Louisiana Task Force has over your HUD CDBG-DR Disaster Relief grant funds? Quite a lot, according to the [Action Plan Amendment 9](#) published in the Louisiana OCD-DRU website.

What authority does the [Louisiana Homeowners Assistance Task Force](#) have to vote on, and effectively grant \$682 million of CDBG-DR supplement funds to be held until such time congress allows the funds to be used to pay in full or reduce SBA supplant disaster loan program funds?

As the Action plan states we are waiting for word from Congress. The Bill they entered in December 2017 that failed, the repeated attempt at the beginning of the year 2018 that failed and now will a new fresh bill and the same old wording we are once again told to wait and wait for congress to approve the wording for all those with SBA Loans to be qualified to receive HUD CDBG-DR without penalty of Duplication of Benefits.

What does this really mean to a Disaster Victim and you need to look at things from at least two points of view.

I'll start with income levels and the goal the SBA and FEMA have that puts the rebuilding burden on the homeowners in all cases.

SBA Disaster Loan program was and is leading the push to private investment recovery loans.

Basically you are approved by SBA on all levels just because you are a homeowner. So lets' nail down just what SBA does. They offer Homeowners Loans using the Home as Collateral. Otherwise the most they can loan is \$25,000 and your income level only has to be just pennies over \$18,000 pre-tax per year to get a loan.

SBA has a new report out, you might want to read it before commenting. It should open your eyes to all

Louisiana Flood Victims.

1. All homeowners qualify for SBA Loans.

Now let's validate if loans are in the best interest of the homeowner. When I say "Best Interest" I mean will the homeowner be able to repay the loan. Well, according to the SBA OIG report, no, No, NO, the SBA granted loans and did not factor in life expense. They didn't even factor in utilities for these disaster victims.

2. Not all homeowners can afford to repay a loan even if offered a loan by the SBA.

We have a disaster victim sleeping on the muddy floors or in their car parked in front of the flooded home. The car was flooded as well so it's not going anywhere and cleaned up it just smells of old river and chemicals.

Our disaster victim that was approved a loan that they inherited from the family of the victim now has a loan offer of \$124,000 on it. The disaster victim only makes \$31,000 per year for their household of two. This now becomes a \$440 per month loan for 30 years. (Estimated) Can this household continue with life's expenses for 30 years and pay this loan amount? No, they are going to need nearly 14% increased income to budget to zero each month and can not for 30 years have any medical expenses that are out of pocket or insurance deductibles or vehicle repairs or even home repairs. They can not have another flood due to the deductible they would not be able to save for. So Debt Burden is clearly identified and confirmed by the SBA OIG 2018 report that include years 2016 and 2017.

3. Life Expenses not calculated into loan ability to repay process.

At this point the homeowner feels it's best not to take the loan and look for other programs. They are at this point 30 days from the date of the declared disaster, they do not know what programs are down the road because it's all about FEMA and SBA for the first 6 months after the disaster.

They learn about HUD Grants as the states office of community development disaster recovery unit wakes from their slumber between disasters.

Soon the news media is telling us about a program that will cover all of our needs and they call it unmet needs. Sounds great, so we wait, we budget we use all of our life savings and borrow from friends and family to rebuild as much as we can afford to rebuild.

4. Homeowner Reimbursement Program.

Now we know we are going to have some of our money returned once they announced the homeowners reimbursement plan. Great, we are looking at 25% of our money returned, we could almost complete our needed repairs with that reimbursement.

5. Homeowner Reimbursement Increased.

Before we could even get to our first inspection the homeowners reimbursement increased from 25% to 50%. Now we are really happy, we know we can complete our home without additional debt that the SBA Disaster Loan program would have given us. We are now waiting for news about our award grant.

6. Homeowner Denied Reimbursement Grant due to SBA Loan that is calculated as a duplication of benefit.

What? The homeowners call thinking this is a mistake, "We didn't take any money from the SBA" is what

the homeowners told the Case Worker at RestoreLA.Gov. The case worker explained that the SBA loan was duplication of benefits because they could still draw or accept the loan. That's what they said in the beginning, then it was "We are waiting on Congress" then it was "We don't follow HUD Rules and Public Laws" then now it's back to We have the money set aside for you and we will need to wait for congress to approve the wording."

7. Homeowner does not have record of accepting SBA loan and has letter loan has been cancelled.

Homeowners then found their letters of the SBA Loan that was cancelled, they sent them via email, carried them into the states resource centers to only be told that your loan amount that you were approved for is still going to be used as your DOB even if you cancelled and did not take any money from the SBA Disaster Loan Program.

8. Homeowners are denied and their accounts closed.

Homeowners were told they can appeal rulings once per a select few categories. If the appeal was denied, it's final, case close, no awarded grant money, home not repaired or not completed.

9. Homeowners drop out of program finding it too difficult to understand, appeal and follow.

Many more homeowners have dropped out completely. The stress trying to reason with directors and management became to great. It's often times easier to just lay a rug down over the concrete and use house wrap as walls than try to continue on the stress ride the states OCD-DRU offered.

10. State OCD-DRU claims they are protecting the state from a HUD ordered repayment of grant funds if they consider granting homeowners that did not receive SBA Loans a CDBG-DR Grant.

The homeowners are fighting on all fronts, the State OCD-DRU that the Governor put into place to assist in the distribution of funds to assist people with their unmet disaster recovery needs.

The homeowners are fighting local city and parish government over blight and abandoned homes not to mention the drainage issue that is in most areas worse than before the flood.

The homeowners are fighting their mortgage companies about repair times.

The homeowners are fighting their insurance companies about repair progress.

We are not all born "Handyman" types that can work 10 hours and come home and work 8 more hours on our homes. We need assistance and the assistance that HUD has offered has a big person not letting the little people have a little money to make life somewhat nicer at the end of the day.

Thank you,
2016 Flood Survivor
2018 OCD-DRU Victim

[Follow this link to read what resulted from sending this email to 22 task force members and state government directors.](#)

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