

Just tell FEMA No Thanks when they refer you to the SBA Disaster Loan Program. 80 Percent AMI or lower? Say NO



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After a Disaster you must identify what your AMI is before you file with FEMA. This was learned from experience and from policies in place by states with declared disaster.

Your AMI % is very important, if it's below 80% **DO NOT APPLY FOR AN SBA LOAN!**

No matter how painful it may be do not sign or offer any application information to the SBA. Just leave the building and go back home and start your recovery without them.

Do not share your name, address and never your SSN.

Tell FEMA if you do not qualify for a FEMA IA, ONA, IHP on the spot that you are not interested in any additional federal assistance from their group or departments.

Here are the lines you will hear from FEMA and the experience, policy and truths are published below with resource links. In some cases what they say is true but explanations are needed to see the whole truth.

([FEMA RESOURCE](#) January 3, 2018 - 12:09)

- SBA disaster loans also go to individuals and families &ndash as well as businesses. Interest rates may be as low as 1.688 percent with terms up to 30 years.
 - Individuals and Families will have to pay off the SBA loan completely. Businesses will have a percentage forgiven if payments are made according to the loan terms.
 - Percentages are very different between households, if a household can secure a loan elsewhere they are listed as "Other Assistance" which means traditional banks may loan this household money so the SBA will increase the interest rates for these homeowners.
 - SBA does offer terms up to 30 years but it depends on the amount of the loan and your credit, payment history and at times collateral. We have see loans offered for 30 years at \$439 per month lowered to \$436 per month for 5 years. So the terms can and will be different for all households.
- Filing the loan application does not obligate you to accept the loan, but most individual and family applicants must still complete the SBA loan application before they can be considered for certain other FEMA grants and programs. That could include assistance for disaster-related medical and dental expenses, car repairs, clothing and household items. Completing the SBA application assures

that the federal disaster recovery process continues and keeps your options open.

- *"Filing the loan application does not obligate you to accept the loan"*, This is true but this will penalize you later if you do not take the loan your loan information will be shared with your state and federal agencies that may offer grants at a later date, such as HUD CDBG-DR grants. If you completed an application you will have a loan number with the status Approved and the amount approved on a shared data feed that the SBA offers to other agencies. The SBA will not removed the data, will not change the amount unless it's an increase and will not change the Approved to Withdrawn or Declined. By completing the application you have place other possible grants in jeopardy.
- *"SBA loan application before they can be considered for certain other FEMA grants and programs"* this only applies to ONA Other Needs Assistance which very few, very few actually receive. We know many low to moderate income families that lost vehicles in floods and never received a dime from FEMA for ONA which covers clothes and vehicles. FEMA has always stated that the SBA will award you the money you need to purchase another vehicle and clothing.
- *"Completing the SBA application assures that the federal disaster recovery process continues and keeps your options open"* this we find not to be true when you measure assistance as dollars applied to federal assistance that you receive to recovery from your disaster. The most FEMA can give you is roughly \$30,000 the most that HUD can give you is \$150,000 and by applying to the SBA as a low income household or by taking FEMA IHP grants and buying a new vehicle instead of demanding ONA grants you will lose that money down the road, it will be charged back to you by your states HUD CDBG-DR program.
- It only takes about 30 minutes to fill out a loan application. You also can receive one-on-one assistance at a Disaster Recovery Center. A simple, fast, and very available way to complete the application is online, using the SBA's electronic loan application. Go to <https://DisasterLoan.SBA.gov/ELA>. Updates on loan application status are available by calling 800-659-2955 or TTY 800-877-8339.
 - It doesn't take loan to completely toss out the window Grant Money of equal value if you wait.
- Don't wait to settle with the insurance company. If you do not know how much of your loss will be covered by insurance or other sources, SBA will consider making a loan for the total loss up to its loan limits, provided you agree to use insurance proceeds to reduce or repay your SBA loan.
 - If you are promised early money so you don't have to wait for your NFIP insurance policy money you will regret it 100%. If your policy pays off less they will demand you return the money within 30 days. If you get your policy the SBA will take the policy in whole and apply it to your SBA loan to pay it off, you have now paid interest on your own insurance money. But what you may not realized until more than one year later is that your SBA loan was reported to all other agencies as an active loan, approved for the total amount of your NFIP policy. This will be counted against you as "Assistance Available" to you later when you apply (if you apply) for HUD CBDG-DR funds.
- If your property is used as a normal part of a business, such as rental property, you may be eligible to apply as a business owner. Submit your application and let SBA determine your eligibility.
 - If the property can be used as Collateral it will be approved and reported under your name. Be sure you understand what the SBA will be giving you the loan on. If you own property that is not where your damaged home is located and your home was damaged by the disaster the SBA may calculate your land as assets and offer you collateral loans. This will be reported to the Data Feed even if you don't take the loan. This will then come back and count against you for any additional federal assistance. If it's for a business and the property is in the business name then that changes the issue, but if it's personal property that you do business from it's your personal assets.
- Don't make the mistake of eliminating yourself. Everyone's situation is unique and SBA will work with you if you feel you may have a problem qualifying for the loan. Remember, if a homeowner or renter cannot qualify for the SBA loan, they will be referred back to FEMA for additional grant consideration.

- Please make your own estimates and eliminate yourself for any reason especially if you are below 80% AMI. Do not sign or complete any application. And if you do make the mistake do not close on the loan by signing the papers.
- Everyone is qualified by the SBA Disaster Loan Program, if you make \$18,090 per year or have a credit score higher than 530 or have a good repayment history or own your home or own assists. You do not need anything more than one item to qualify. It's easier to say who doesn't qualify, dead people and felons do not qualify.
- Eligibility for a loan depends on your ability to repay the loan, not on your income. If you qualify for a loan, the amount could be significantly higher than FEMA grants. If you do not qualify for a loan, you may be referred back to FEMA for additional grants.
 - This is not 100% true, they do look at your credit history to determine if you have good repayment history. They do not calculate as of 2016 to 2018 living expenses so the policy is if you have \$50 after the monthly loan payment is made you have the ability to repay the loan. (SOP 50 30 policy)
 - If you do not qualify for a loan your loan amount which will be at least \$25,000 because everyone qualifies will be shared via data feed with state agencies that will identify the loan amount as your federal assistance and deduct that from your possible future grants. Again, one more reason for all 80% AMI to just say no and do nothing with SBA.

Our group, Restore LA Program Info Exchange Facebook and our TruckAndTools.Com location.

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Email help@truckandtools.com for additional information.

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Original location: <https://www.truckandtools.com/disaster/fema.asp?gdyk=128>

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