

## PL 115-123 Declined Federal Assistance protection violated by SBA Data Feed Loan Decision Field status



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The SBA data feed field Loan Decision does **not provide** remedy for public law 115-123 which allows a homeowner to decline the loan which for the SBA means the homeowner cancels the loan. The Loan Decision field of the SBA Data feed does not offer Cancelled

Louisiana homeowners that attempted to have their SBA Disaster loans removed from the DOB calculation after the public law 115-123 passed have found the first major road block provided by the SBA itself. We found that the SBA does not have an automated system to inform federal, state and local government agencies of a loan decision status change. In the field "Loan Decision" of the data feed the SBA does not offer the words Cancelled or Declined as a loan decision status for the homeowner or borrower.

The SBA requires the state to call, email or write to confirm if an SBA loan was cancelled or declined by the homeowner.

Federal, state and local governments monitor the SBA data feeds to control and minimize the risk of duplication of federal services, assistance and benefits.

Currently the SBA data feed does not offer real world information on cancelled or declined loans. This will cause the state to apply a loan decision status incorrectly to the disaster victims account. This issue may also add to the duplication of benefits calculation an amount of money that was never accepted as federal assistance.

To avoid duplication of benefits screening mistakes, omissions and errors against the homeowner and disaster victim we would need to request that the SBA use the Loan Decision field of the data feed to input and display the word Cancelled and provide a cancellation code if possible. The amount of a cancelled loan would then be \$0.00 because no federal assistance or loan money was received by the homeowner or borrower.

Here is a copy of the Data Feed Fields. If you need help reading the fields ask your IT people that know what XML or JSON is all about.

## SBA Application Information Data Feed Fields.

SBA Application # -app\_nbr  
Loan type -app\_prd\_product  
Loan type - type  
Application Effective Date -app\_dt (for pre apps default value 01/01/1800)  
Current application status -app\_status\_cd  
Current application sub status -app\_sub\_status\_cd  
FEMA Declaration # - pro\_fema\_nbr\_oda  
DCMS Disaster Number- pro\_nbr  
SBA Declaration # -pro\_sba\_nbr\_oda  
Summary Decline indicator &ndash is\_summary\_decline  
Pre-Processing Decline indicator &ndash is\_preproc\_decline  
Loan Decision -loan\_decision (Approved, Declined, Withdrawn, PPD, Summary Decline or In Processing)  
Date of action -decision\_date  
Total approved amount - loan\_amount  
SBA Loan Number- sba\_loan\_number  
FEMA Control # (FEMA Registration Number) -app\_fema\_regis\_nbr\_oda

Fields populated for home loans, primary applicant

Last Name - pri\_apl\_last\_name  
First Name - pri\_apl\_first\_name  
Middle Initial - pri\_apl\_middle\_name  
Family Size - pri\_app\_family\_size

Applicant Mailing Address:

Street - apl\_mailing\_address1  
City - apl\_mailing\_city  
County - apl\_mailing\_county  
State - apl\_mailing\_state  
Zip Code - apl\_mailing\_zip

The issue starts with the **Loan Decision** -loan\_decision (Approved, Declined, Withdrawn, PPD, Summary Decline or In Processing).

- Approved
- Declined
- Withdrawn
- PPD
- Summary Decline
- In Processing

None of these statuses reflect borrower cancelled or SBA agency cancelled.

We know from the SOP 50 30 that the agency has cancellation codes C10 through C16 and Borrower cancellation codes C20 through C26.

If you are a Grantee it is very important that you accept the letter provided to the homeowner by the SBA as proof that the loan was cancelled. This will not be reflected in your states data provided by the SBA.

With the cancellation letter the grantee (state) should verify the letter and status by emailing the SBA with the homeowners account number and request the status codes recorded to this account.

## APPENDIX 21

### CANCELLATION CODES

#### **Agency Cancellation (SBA)**

- C10. Failure to complete and return all loan closing documents.
- C11. Failure to satisfy all terms and conditions of the loan.
- C12. Adverse change. - IHP referral.
- C13. Adverse change. - Other.
- C14 Subsequent recoveries exceed verified loss.
- C15. RESERVED
- C16. Other reasons. &ndash (Agency Decision)

#### **Cancellation at Borrower's Request**

- C20. Adequate recovery from other sources.
- C21. Reluctant to incur additional debt.
- C22. Dissatisfied with loan terms and conditions.
- C23. Dissatisfied with insurance requirements.
- C24. Unwilling to pledge collateral.
- C25. RESERVED
- C26. Other reasons. &ndash (Borrower Decision)
- C27. Dissatisfied with loan interest rate (market rate). &ndash (Borrower Decision)

These are current and valid cancellation codes that meet the Public Law 115-123 requirements.

Please update your DOB Screening methods to include verification of declined SBA Disaster loans by your homeowners.

Thank you for reading. We hope your states recovery is a little smoother now that you know what to look for and how to screen a homeowners cancelled federal assistance.

#### **Authors Opinion:**

This issue will need to be reported to the SBA OIG by State Representatives as well as borrowers that are now victims to inaccurate reporting systems.

#### Resources:

- Memorandum of Understanding Between the U.S. Small Business Administration and the [Name of State, Territory, Tribe, or Local Government Jurisdiction, or Voluntary Agency]
  - SBA Points of Contact: To submit draft MOUs or for any questions, please contact Lynda Lowe at [lynda.lowe@sba.gov](mailto:lynda.lowe@sba.gov) and copy Alejandro Contreras at [alejandro.contreras@sba.gov](mailto:alejandro.contreras@sba.gov). To contact by phone, please call (202) 205-6674.
- [H.R.1892 - Bipartisan Budget Act of 2018 PL 115-123](#)
- [SBA SOP 50 30 9](#)
- [SBA Office of Inspector General SBA OIG](#)
- [Filing a Complaint against the SBA using the SBA OIG Complaint Form](#)
- [CDBG-DR Laws, Regulations, and Federal Register Notices - HUD Exchange](#)

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**Email [help@truckandtools.com](mailto:help@truckandtools.com) for additional information.**

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Original location: <https://www.truckandtools.com/disaster/sba.asp?gdyk=135>

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