

FEMA-4382-DR California Amendment No. 1 to Notice of a Major Disaster Declaration of August 4, 2018

FACT CHECK

FEMA & SBA

Published: 9-2-2018 Revised: 9-2-2018

Disaster declaration State of California amended to include the following area among those areas determined to have been adversely affected by the disaster DR-4382 Lake County for Individual Assistance. Learn what is important from a homeowners opinion.

When you apply to FEMA and they do your intake they may or may not offer you IA or IHP at the time but they will offer you the opportunity to apply for an SBA loan. Be sure you understand what it means to apply for an SBA loan at this point of your disaster recovery.

Here are a few tips from those that became disaster victims twice at times because of the FEMA process.

- If you are low to moderate income which is 80% AMI or lower we recommend that you DO NOT APPLY to the SBA Disaster Loan Program. Talk to your district representative about your CDBG-DR Grants that will be offered within 12 months. If you need money be sure you ask only for money that can be spent on anything like vehicles, clothing, food, rent. If you are sent a letter that states the money is for your home repairs you should NOT spend it on anything at this point. You do not know what your HUD CDBG-DR program will offer you and what you purchase today may not be reimbursed later or may be counted against you. Visit CDBG-DR section for more details of what grants may be offered to you in the near future.
- If you are 80% AMI to 120% AMI be very careful if asked to apply to SBA, you will be better off applying for a loan even if it's a higher interest rate from local banks and lenders. Be smart with money you borrow, if you have savings, family that is always best. Do not run credit card debt but see if you can get a loan just enough to make your home safe and secure to live in. Loans that are private are reimbursable loans later down the road with HUD CDBG-DR grants.
- If you are 120% or more AMI we suggest you only use your personal money, credit and bank loans. Call your district representative and start asking them for the reimbursements you are going to want to

see later down the road. Keep on them, at first they may say there is no reimbursement and they may recommend SBA loans because of their low interest. What the SBA will do is if you have the ability to take a private loan from banks they will charge you more interest than what a low income household would pay because you have "Credit Elsewhere" which allows the SBA to charge market rates. At this point it wouldn't be worth taking an SBA loan. But you can not apply to the SBA or that money even if you do not draw the money or you cancel the loan after signing the documents will be counted against you later with your HUD CDBG-DR reimbursements that are going to be coming from the federal government. Your state will have a task force making policy. Be sure you get them to make a reimbursement policy. DO NOT BELIEVE FEMA or SBA that they will be closing the loans. We have seen homeowners apply for SBA loans more than 2 years after the disaster and were approved. So do your research before you talk to the SBA. Once you apply that approval number will forever be attached to your file.

Once the SBA approves you for a dollar amount that number will forever be attached to your FEMA, SBA, HUD and Other federal agencies disaster account and will always count against you if you seek any type of grants from any other agency. The approved loan amount will be determined within a few days and that is your only window of opportunity to withdraw from the SBA loan program. Before your loan is processed, you must ask for your loan application to be WITHDRAWN not CANCELED. Learn more in the SBA section we have.

Resource:

- [FR-2018-08-30 18837](#)
- [SBA Loan Experience by Homeowners](#)
- California Wildfires And High Winds ([DR-4382](#))
Incident Period: July 23, 2018
Major Disaster Declaration declared on August 04, 2018

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Original location: <https://www.truckandtools.com/disaster/declarations/default.asp?gdyk=141>

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