

Contribute

FEMA to SBA Disaster Loan team. Is it better to apply directly to SBA lenders for long term recovery money?

FACT CHECK

FEMA & SBA

All Other Federal Assistance*

*(*Long term recovery HUD CDBG-DR Grant program)*

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When you learn the sequence of disaster assistance you'll see it goes from FEMA to the SBA for loans. No one tells you about the long term assistance your state is working on just days after your declared disaster. HUD CDBG-DR Funds an option to a loan.

When Louisiana had its 2016 flooding 10's of thousands applied to FEMA and were told to apply for an SBA Disaster Loan. They said the loan would be a low interest loan. They never told you if you had good credit and good income you would be paying market rates that just may have sounded good because it was processed so quickly.

Interest rates in 2016 for Louisiana were from 1.59 to 6.5 percent. Loans below \$25,000 could be secured by good income, good credit.

What the state didn't tell you was HUD would be available and may have been used in place of your SBA loan. But the state wasn't going to tell you, not directly. You may have learned that private loans are not counted as a Duplication of Benefits and a SBA loan is counted as a Duplication of Benefits.

The difference is if you want money now, today, and fast you go with SBA loans and pay it all back plus interest. If you can wait 1, 2, 3 or more years HUD CDBG-DR grants are going to be your best bet. Grants do not have to be repaid.

But, if you have good income and good credit you could have applied directly to SBA lenders for your disaster loan and then had HUD CDBG-DR reimburse you for your loan repair or reconstruction amount. It might not have been a "Dollar to Dollar" reimbursement but if you had to reconstruct your home for \$300,000 and HUD CDBG-DR reimbursed you \$250,000 your new \$50,000 mortgage would look much nicer.

For those that know this is just what happened. Those that understood a private loan was a better risk than a SBA loan. Both have to be repaid but one may be paid off with Federal Grant dollars later. This could happen years later, in Louisiana it was 17 months after the disaster the state started paying off private loans homeowners took to rebuild their homes. The state wasn't repaying SBA loans.

So, share with others the list of lenders the SBA uses for their loans. You may find it's safer for your long term recovery to not apply to the SBA and maybe not apply to FEMA. Just be sure you are informed correctly and that means you need to talk with HUD, SBA and FEMA to get the full story. Or just read more articles from homeowners like us that learned the hard way.

The SBA Lenders List is updated quarterly.

Resource links at the bottom will show current lenders.

From the SBA.Gov website:

"The table below displays the 100 most active SBA 7(a) lenders in the United States by lending volume through September 30, 2019. Results are updated quarterly."

1. Live Oak Banking Company
2. Wells Fargo Bank, National Association
3. The Huntington National Bank
4. Newtek Small Business Finance, Inc.
5. Byline Bank
6. Celtic Bank Corporation
7. JPMorgan Chase Bank, National Association
8. U.S. Bank, National Association
9. First Home Bank
10. Seacoast Commerce Bank
11. KeyBank National Association
12. Stearns Bank National Association
13. TD Bank, National Association
14. BBVA USA
15. Readycap Lending, LLC
16. Bank of Hope
17. Bank of the West
18. Berkshire Bank
19. Manufacturers and Traders Trust Company
20. Bank of America, National Association
21. SunTrust Bank
22. Metro City Bank
23. PromiseOne Bank
24. United Midwest Savings Bank, National Association
25. Bank of Georgia
26. Commonwealth Business Bank
27. First Bank
28. Harvest Small Business Finance, LLC
29. IncredibleBank
30. MUFG Union Bank, National Association
31. United Community Bank
32. Pacific City Bank
33. Independence Bank
34. Midwest Regional Bank
35. Citizens Bank
36. Umpqua Bank
37. Poppy Bank
38. BankUnited, National Association
39. Atlantic Capital Bank, National Association
40. Zions Bank, A Division of
41. The Bancorp Bank

42. Ameris Bank
43. Open Bank
44. Hanmi Bank
45. Capital One, National Association
46. First Financial Bank
47. Synovus Bank
48. Cadence Bank, National Association
49. Pacific Premier Bank
50. NewBank
51. Regions Bank
52. Pacific Western Bank
53. Fifth Third Bank
54. Centerstone SBA Lending, Inc.
55. First Savings Bank
56. FinWise Bank
57. First IC Bank
58. Branch Banking and Trust Company
59. Five Star Bank
60. Comerica Bank
61. PNC Bank, National Association
62. Savoy Bank
63. New Millennium Bank
64. Stone Bank
65. Pinnacle Bank
66. Republic First Bank d/b/a Republic Bank
67. Banner Bank
68. Customers Bank
69. Wallis Bank
70. Plains State Bank
71. US Metro Bank
72. Citizens Bank, National Association
73. Pinnacle Bank
74. TCF National Bank
75. First-Citizens Bank & Trust Company
76. East West Bank
77. HomeTrust Bank
78. Webster Bank, National Association
79. First Bank Financial Centre
80. Seacoast National Bank
81. Radius Bank
82. HomeStar Bank and Financial Services
83. First Choice Bank
84. Touchmark National Bank
85. T Bank, National Association
86. First Chatham Bank
87. Spirit of Texas Bank, SSB
88. Meadows Bank
89. Hana Small Business Lending, Inc.
90. United Business Bank
91. Bancorp South Bank
92. Independent Bank
93. Veritex Community Bank
94. Crossroads Small Business Solutions, LLC
95. BancFirst
96. First Commonwealth Bank
97. Columbia State Bank
98. Summit State Bank
99. Fulton Bank, National Association
100. Home Loan Investment Bank, F.S.B.

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Resources:

- [SBA Top 100 Lenders 7a loans includes disaster loans.](#)

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