

## **S. 3041, Disaster Recovery Reform Act of 2018 Homeland Security and Governmental Affairs Committee Record**



Published: 6-13-2018 Revised: 6-21-2018

What does the S. 3041 Disaster Recovery Reform Act of 2018 which was once called H.R. 4460 - Disaster Recovery Reform Act do for homeowners with SBA Loans? In our opinion, nothing, but if you have news that will help we are listening.

Homeland Security and Governmental Affairs Committee Record  
June 13, 2018

S. 3041, Disaster Recovery Reform Act of 2018

Results: Ordered reported favorably by voice vote as amended by Johnson Amendment 1 as twice modified, Portman Amendment 1 as modified, Enzi Amendment 1, Enzi Amendment 2 as modified, McCaskill Amendment 1 as amended by a Johnson 2nd Degree Amendment, McCaskill Amendment 2, Peters Amendment 1, Harris-Carper Amendment 1 as modified and amended by a Johnson 2nd Degree Amendment, Harris Amendment 2, and Jones Amendment 1.

Just want to follow up with everyone, do we all agree that today's bill does nothing for anyone that has had an SBA approved loan?

When I say "Nothing" I mean the SBA loan even if you didn't take it will always penalize you for any downstream government loans and grants.

(Be sure we follow the bill, it started as H.R.4460 - Disaster Recovery Reform Act but now is S. 3041 Disaster Recovery Reform Act 2018)

Comments by Murray Wennerlund

You manage the membership and posts for Restore LA Program Info Exchange. This is great, maybe we need to ask a Congressman to clarify what just happened. I heard that it was voted yes to follow the delivery

sequence to prevent DOB. That is what my little morning brain heard. Guess we need to get the transcripts. Do you know when they will be online? I recorded it with an old camera over network.

I just know I heard, "Delivery Sequence" and "Duplication of Benefits"

I did not hear one word about SBA. Was that when his microphone was off?

Wait a minute, this was a Ear Mark meeting so the bill would be added to more discussion later is that correct? (Time to get my American Politics book out again.)

If that's the case we should see movement on the Bill in the actions tab.

Guess it's a "Keep the Faith" moment in time.

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I don't know about this, getting old to me.

Our 6th District Congressman: H.R.4460 - Disaster Recovery Reform Act

There is a Henry Johnson.... On the Agenda this morning:

S.3041 - A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for disaster recovery reforms, and for other purposes.

By Senator Ron Johnson on 6-11-2018....

Here's the PDF for this mornings meeting. (Agenda)

[https://www.hsgac.senate.gov/imo/media/doc/2018-06-13-BUSINESS MEETING-REVISED.pdf](https://www.hsgac.senate.gov/imo/media/doc/2018-06-13-BUSINESS%20MEETING-REVISED.pdf)

Are we all missing a chapter or a few pages here?

There was not Disaster Recovery Reform Act, but I do know how things change fast when it comes to money, did we all experience a mirror?

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Peters read the part from HR 4401 Graves and his buddies made. It really didn't matter, the speaker already was ready to vote and it was all YES. But they voted on the disaster assistance given without duplication. Not saying a word about SBA. This means it's done, your SBA is FEMA assistance, don't think we will have a repeat of Katrina OCD tricking HUD into paying off SBA loans. But what gets me is the state is playing Collections for FEMA and SBA which both FEMA and SBA said No, do the calculations but don't do the collections.

You know what was said about that , April 13, 2018, "We are responsible to HUD for all funding. If we give people money that and they don't finish their homes we have to give the money back to HUD." (Patrick Forbes)

Task Force Member, "What if we just give them the money and deal with it all later.."

Do you see the problem here, 21 Task Force members are not hearing us to force one state employee to think outside his sheltered little box

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S. 3041 Disaster Recovery Reform Act 2018. ((( PASSED )))

If anyone would like to discuss our options feel free to start.

Follow the Money, Follow the Delivery Sequence, Follow the UNMET Needs money path to leftovers instead of overlap.

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HUD has made it's public notice. If the State of Louisiana doesn't understand the HUD Notice related to the Federal Register HR 1892, PL 115-123 then the State OCD-DRU is required to ask for Guidance, that means Patrick Forbes not Congressman or Senator. I know you are following this all, but it is so simple when all you have to do is pick up the phone an call.

HUD NOLA ,told me they would help the State OCD-DRU if they requested guidance.

HUD Washington, They can not force a Federal Rule or Notice on the States OCD-DRU once the funds have been released into the Grantee's care.

I've been doing my best to bring people up to speed. I'm so far past this issue I'm working on OIG request now for fraud.

Do you remember the OCD-DRU telling HUD it was going to move 30,000,000 from the Homeowners Assistance program to the Rental program? Then some of that went over to the Shelter at Home but they called it Sheltering Homeless under HUD.

That was just a few months after the state OCD-DRU announced it didn't have enough money for homeowners.

So which is it? So much you take away from the Homeowner Programs or...???

So the total to date is \$64,000,000.00 taken away from those that could have had the DOB paid for with a State Grant.

I'm just reading things as they happen and keeping an eye on the money and found we've been cheated out of \$64 million in two years.

That's \$30+ million more than Katrina in 11 years.

Wow, guess when you hire the same director you get better results.

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APA 1

1. Summary of Changes

The sections below outline the State of Louisiana's plan to utilize the full amount of funding appropriated to date.

#### Unmet Needs

The state amended the following areas of the unmet needs from the initial Action Plan:

...

The state shifted \$30,000,000 initially allocated to the Restore Louisiana Homeowner Program to the rental housing programs.

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yes, but they over-funded it, they even knew they did. That allowed them to move it from an overfunded program.

But my point is, they argued that 30% of total income was a burden on renters but when a Homeowner shows that they are at 80% of their income OCD-DRU tells them they are denied because they have available credit. It's a double standard, state wants to move money, it's 30% state denies homeowner for any percentage.

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Allow me to make this argument and you all can tell me to shut up.

.... OCD-DRU APA 1 >>>>

Note: Cost Burden is defined as renter or owner households spending over 30 percent of household income on rent or mortgage.

....

We tried, I mean we as in a few members tried to have Financial Burden and Financial Hardships for those that refused the SBA loan to help them get grants. The state responded to these people that can not take on more debt as "Having available credit" from SBA.

but the state argued to take away money from homeowners that the Burden on Renters and Landlords with Rental properties. blah blah blah. HUD it was FEMA helping renters, but the OCD-DRU took old data from the Census (2014) and made a great plea to pull or draw down \$30 million from the \$1.31 billion given to the Homeowner Assistance Program.

What did you all get..?? But wait, later they take the money from Renters and put it .... I'll tell you when I get to Chapter APA 6.

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The way FEMA told us to go to SBA was like a soft whisper in the ear compared to what they are doing in Texas and PR. They actually published to homeowners that did not have flood insurance they would not get any additional money if they didn't take the SBA loans.

It's in a Politico report, amazing to me, let's say your parents paid off the house for you, you now own a home without a mortgage and you were not in a flood zone.

You work for \$7.25 per hour and are told by FEMA you must take the SBA Loan that has a lien against your home.

BULL!! Those families would be homeless in a year.

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I have to dig up the documents again but I can tell you from memory SBA Loans are not Taxpayer dollars, they are private investments 100%. The only thing the Federal Government does is tell the investors they will guarantee the loan does not default with US BACKED Taxpayer money.

In the history, 4% of the loans failed.

The 1% are the investors. So you have FEMA Federal telling you in Texas you have to take a loan from the 1% that do not care if you fail and you lose your home. They will tell you, it's only 4%.

That should be comforting knowing out of 200,000 only 8,000 will be homeless in Texas due to forced SBA Loans.

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I have several examples that I've published and other states have used.

1. Homeowners that owe money back to the state from FEMA.

Some states are allowing the homeowners to pay the homeowner responsibility in 3 installments over 3 years. The total time the state monitors for income grant money. The first payment is \$1.00, the second is \$1.00, the third needs to be paid completely but... Can be waived or paid down by HUD grants for unmet needs by the state.

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Another state opted to move money out of the Homeowners Assistance program and into the State Managed Loan program.

Creative, the state loaned out money at a 60% / 40% payback rate to those that did not spend the FEMA money correctly. At the end of their project, when they proved to the state their home was completed the loan was forgiven.

The faster you finish the less you pay. That idea was perfect, but you have to find creative thinking state workers. I'm not seeing that here.

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***please in a nut shell tell us what we can do about this as a group. There's safety in numbers here..... A petition maybe? I think many of us want to help but do not know how and are simply weary of it all. We flood and lose everything, then have to fight and plead to get the help promised to us. Help that never comes because it is in the greedy hands of others wanting to spend it their way instead of how the U.S. government says to spend it....FOR the FLOOD VICTIMS!***

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Katrina, 2010, ICF requested a renewal of their contract to go after those that did not use the \$7,500 Mitigation grant correctly. The state agreed to renew the contract with ICF for years. More than I think is owed to the state.

FEMA and HUD both said it's not worth the money, but our state OCD-DRU renewed a contract that in my

opinion was worthless in all respects of collection. \$7,500 per household collection? What were the lawyers fees for the collection per household?

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your issue is not a single case issue.

Let me share a little with others that may be reading this to never end thread.

Homeowner Insurance, with or without a mortgage can be canceled if the insurance company determines your home to not be inhabitable or the damage is more than x% of the market value.

I thought if we put a door on it and called it a home it was covered. Not so says the State of Louisiana Board of Insurance Companies XYZ.

xyz..., your case, "Fix it or we drop your insurance coverage" is the same with everyone that has not completed repairs on their homes.

Do you want to champion that group?

You will need a Governor to declare an executive order and have the POTUS sign into law protections against insurance cancellations due to disaster recovery efforts slowed by the delivery sequence in place at the time.

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xyz...,

*Exactly what I was told. My home is a liability for the insurance company because they insure for full replacement value and it is only 2/3 completed. They are also concerned about any damage done to the home by the flood waters that can cause further damage if not repaired in a timely manner. I did call the state only to get a returned call from a dear lady who said she herself does not have homeowner's insurance at this time as she flooded and her homeowner's company dropped her like a hot potato! SO it is a real problem exacerbated by the slowness of RESTORE, and RESTORE having their hands tied by our state officials, thus not following the federal law in helping flood victims. I actually understand the insurance companies' policy but it is terrible what has been done to further victimize flood victims.*

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I have my first 3 appeals drafted and ready to go and we aren't past QC 1 from December 2017.

I have 2 drafts for our law firm and I have 1 draft for any NFP that does not have anything to do with construction.

Everyone is focused on cutting the big tree down. The state OCD-DRU office loves the fact everyone is following Congress and the Senate.

How many of you have called HUD in NOLA this week?

Do you remember me posting that HUD of NOLA never had anyone call before I did?

Anyone call after me?

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If you are LMI and you have credit and were approved by SBA for a loan and DENIED by the state of Louisiana OCD-DRU (aka Restore) for a grant in any amount you MUST CALL HUD..

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If you have had any contractors fraud you must call HUD.

If you have lost money from both floods DR-4277 and DR-4263 you must call HUD.

If you have unmet needs and have had FEMA, SBA give you money and you are denied based on your ECR you must call HUD.

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What has to happen is simple, you must get HUD OIG to stop the money flow to investigate. I have one letter into Baton Rouge OIG HUD and I'm guessing that's about it.

If you have 100 letters telling HUD you were denied because you were approved a SBA Loan but are LMI what do you think a program Office of Inspector General will do?

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We stay as a group, publish findings in a very public media like a typical website. (I have 67 of over 6,000 pages published, I'll share with all.)

I would like to kick the dirt up with our LMI people, but I can't champion a movement of people without proof that we have people that match the LMI SBA Loan issue.

Start with the small trees and cut them down, don't focus on the big ones. Once you get the hang of it things will go smoothly.

I noticed over the 13 years of Katrina the Public Comments section was like our first comments. Only a handful of people posted.

HUD reads the comments, if they saw 100 people asking that the new program should be called "Homeowner Bailout" and help those that have to pay back FEMA they just might do something.

But it's all about the SBA Loan and how we can "Katrina" the loans.

If I told you it was a calculated mistake by the state OCD-DRU that did the HUD approved to pay SBA loans would you believe me?

Google a bit, you'll find a Governor and a Director of OCD-DRU (not Forbes) that actually knew it would happen and planned it that way.

The fallout was nothing compared to the anger of the people.

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Seriously, Call HUD in NOLA and ask them about the SBA Loans and HUD Grants, they know everything about it. But don't expect that to happen twice.

You just have to be creative like the old Governor and Director.

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If you are LMI and have an Approved SBA Loan that you didn't take you should do the following....

Download my spreadsheet "Living on Percentages" and some how calculate 3 months of your income to expense. Be very detailed, you need to get an average.

Then, when you need to talk to me or anyone else speak in percentages not actual dollars.

Call HUD, tell them your income to expense percentage with and without the SBA Loan.

I have done this, I did it the first weeks after the disaster with FEMA, they told me I will need to downsize or sell my house as is.

I did this for SBA and they smiled and told me the loan wasn't based on my income but based on my NFIP claim.

You find truth in numbers.

Living on Percentages, workbook for income to expense calculations and averages.

[https://www.truckandtools.com/dl\\_pub/living\\_on\\_percentage\\_1.2\\_7-26-2010.xlsx](https://www.truckandtools.com/dl_pub/living_on_percentage_1.2_7-26-2010.xlsx)

If you need help just ask, if you don't have a computer that can do spreadsheets then we will find you one to use.

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Write your story, send it to me, make it detailed, include pictures, make it personal, make it a true story that is based on facts that you provide in your story.

I can publish your story anonymously or with your name.

I can send you a link that you can send to others so you don't have to repeat your story every time.

I can help you get your word out.

I even have a special place on the world wide web for all those in Louisiana that really want to drive a point home to Washington that we are sick of rebuilding less and less after each disaster.

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#### **Resources:**

- [H.R.4460 - Disaster Recovery Reform Act](#)
- [BUSINESS MEETING 06/13/2018 U.S. Senate Committee on Homeland Security & Governmental Affairs](#)
- [Committee Record 6-13-2018](#)

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Published: 6-13-2018 Revised: 6-21-2018

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