

**Dear SBA we would like to lower our disaster loan amount, we can not afford your proposed monthly payment.**



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Dear. 2016 Louisiana Flood Victim, we have received your request to decrease your loan amount from 125,000 to 25,000. Your payment amount is reduced from 440.00 to 437.00. Your payment terms have been changed from 30 years to 5 years.

This is a true story, not that I could even dream something up like this, if I could I'd be making a reality show all about Louisiana Flood Victims.

Our homeowner couple live a modest lifestyle as a retired couple.

They are below moderate income which qualifies them for HUD Disaster Relief grants, but not this time.

Our couple was told by FEMA to apply to the SBA for a low interest loan. FEMA told every homeowner after the 2016 floods they had to apply with SBA to be eligible for additional FEMA grants. Only a few knew this was not correct, but ask any state of federal official and they would tell you that you must apply with the SBA.

The couples income to expense is 92% monthly. That means they have roughly 8% of their monthly retirement benefits to spend on anything outside the normal costs of living.

You may not know this but the SBA does not ask for your current expenses, they ask only for your tax returns, property deed and insurance documents in most cases. They have been known to offer loans in the amount of the property, NFIP policy amount, or matching other federal grants and collateral that the homeowner may own.

SBA offered the couple additional debt to the tune of 11% increase on top of their 92% monthly living expense. The monthly payments of \$437 were offered our retired couple after they asked the SBA to lower the loan amount because they could not afford it. So from \$125,000 the SBA lowered the loan to \$25,000 which changed the payments by \$3.00 per month due to the fact the SBA also lowered the Payment Terms from 30 years to 5 years.

Many are not clear on just what money the SBA uses. This isn't taxpayer money it is secured by taxpayers money but the lenders are private industry banks and investment companies. They buy into the disaster aid and funds and are guaranteed a specific return on their money. So never think you are taking a loan from the Government, it's only secured in case of default, similar to a VA and a FHA government secured loan.

What the SBA offered our retirees was a one way ticket to bankruptcy. Our retirees pay 26% in just insurances and are living by spending 92% of their monthly retirement fund. The SBA was asking this couple to add 14% more debt to their already very high monthly debt. This additional 14% would slowly work them into the poor house.

Adding 14% cost of living increase to their 92% would make them at 106% living above their means and slowly sinking into debt each month until bankrupted which would have resulted in the sale or foreclosure of their home that was paid off.

SBA Loans come at a price that poor people can not afford. To ask any moderate income family or low income family to apply for a SBA loan is asking them to fail on their recovery from the state.

I advise if you are below 100% AMI for your area to decline to apply, don't even apply to FEMA if you have insurance that covers the disaster. Wait for your UNMET needs to present to HUD.

We have a total of 3,800 homeowners like our Retired couple I am talking about now. 3,800 flood victims were told that because they declined to take the SBA loan they are not penalized for the total amount of the loan and will have that deducted from the HUD Grants designed to help specifically the Low and Moderate Income families.

It's like a sick joke that FEMA played on flood victims of the 2016 Great Floods of Louisiana. If you register with SBA you can come back and apply for an ONA grant from FEMA that could be used to replace one of your vehicles. That's what FEMA told our household. We had 5 vehicles flooded and believed FEMA was telling us something that would help. But instead, it hurt this couple for \$25,000 and our household for \$80,000.

Being penalized by the Louisiana Office of Community Development - Disaster Recovery Unit is like being told your boat is sinking and we just don't feel you need our help. Not even when you hit the bottom of the river will they our own state employees extend a hand, create a waiver or follow the federal public laws 115-123 of Feb. 2018.

We are not proud of our state leaders, from the Governors office to the house. They know what is going on but choose to turn a deaf ear.

They have the power, HUD affords the Grantee the power to make waivers each and every day. They can also propose new projects when they have done, transfer millions out of one fund and create another fund that helps cities that lost homeowner tax revenues.

But ask the State of Louisiana Community Development to assist the community it stops at one desk, the desk of the director of homeowners assistance. One man holds back millions to flood victims because one man refuses to follow public law 115-123.

Because HUD allows state Community Block Grant Program Grantees to create Duplication of Benefits Policy they can ignore Federal Rules that our President of the United States of American signed personally into law.

In fact, it is now completely clear that once Congress awards the release of HUD funds to local and state

government there are little guidance in place to makes sure that HUD's 3 main national objectives are met.

This retired couple is below the 80% AMI which is the first national objective from HUD to assist Low to Moderate income families and households.

The Second is to prevent Slums and Blight which by not allowing American households to rebuild and by penalizing them for not risking the additional debt burden that the SBA was clearly willing to allow you do risk the sale of the home or the abandonment of the home. Which would could lead to homelessness or blight if not both.

But let me paint a good image for you.

The State of Louisiana has been denying nearly 1 out of every 2 applicants for HUD grants.

They have also denied 100% of every Low Income and Moderate Income family that has been approved for any SBA loan amount.

The State of Louisiana Office of Community Development Disaster Recovery Unit is funded by HUD to assist low to moderate income households first and foremost before any state or local infrastructures are funding any amount of money.

But buzz around the political camp ground is the state is looking to fund hundreds of millions in state projects that will eventually come directly out of the homeowners assistance programs. This has happened in the past when homeowners were denied or delayed recovery funds to the point they just walked away.

Let's not let that happen to our retirees and to our low and moderate income families.

Let's stop penalizing those that are financially savvy for not going into debt by declining the SBA Loan.

Let's actually ask our U.S. Senators that worked very hard for the following Federal Laws and let's not insult our President of the United States by saying the laws that he signed into law can and will be ignored by that State Government of Louisiana and the Department of Community Development of the state of Louisiana.

Why do we have US Senators and US Congressman create laws if State Government that is working with Federal Taxpayer Money and Federal Agencies will not follow them?

Why do we have President Donald J. Trump spend time signing acts into law only to have that same law ignored by both State and Federal agencies. This would be HUD and the OCD-DRU of Louisiana.

Why spend all this time to make it possible to recover from a natural disaster and all this money to only deny the victims the money.

For every dollar that does not reach a homeowner in the Homeowners Assistance Grant (\$1.31 Billion) that is one more dollar for the state to create a program, fund that program and do nothing more than a program not benefiting the homeowner as it was intended.

I ask the President of the United States to call Secretary Ben Carson of HUD and to ask about the Public Law 115-123 which was part of the H.R.1892 - Bipartisan Budget Act of 2018 .

Snipped from the [H.R.1892 - Bipartisan Budget Act of 2018](#)

"Provided further, That with respect to any such duplication of benefits, the Secretary and **any grantee** under

this section **shall not take into consideration or reduce** the amount provided to any applicant for assistance from the grantee where such **applicant applied for and was approved, but declined assistance** related to such major declared disasters that occurred in 2014, 2015, 2016, and 2017 from the Small Business Administration under section 7(b) of the Small Business Act (15 U.S.C. 636(b)):"

The above is in reference to Low Income and Moderate Income families declining the SBA Loans because it would be impossible for them to pay them back. By declining the loan the State Office of Community Development in Louisiana feels they need to deduct the loan amount as a duplication of benefits as if the homeowner received the funds. The Law signed by President Trump clearly shows that All those that agreed to the law knew it meant that the Secretary of HUD Ben Carson and any Grantee which is the Governor of a state and that governors community development group can not decline assistance to those that declined the assistance.

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