

August 28, 2012

The Honorable Jim Cooper  
Member, U.S. House of Representatives  
605 Church Street  
Nashville Tennessee 37219

Dear Representative Cooper:

Thank you for your inquiry on behalf of Mr. David Obedala regarding his request for assistance in seeking a partial release of collateral securing an U.S. Small Business Administration (SBA) disaster home loan.

According to Agency records, on October 13, 2010, SBA approved a request for a disaster loan to Mr. David Obedala in the amount of \$394,200 under the following terms: 2.750 percent annual interest, monthly payments of \$1,684, and a repayment period of 30 years.

Part of the SBA loan funds were to be used to satisfy an existing lien held by SunTrust Bank in the approximate amount of \$155,000 on property located on 5509 Hillview Drive, Brentwood, Tennessee. Mr. Obedala chose not to pay off SunTrust Bank at the time, leaving SBA in an inferior position on the property. This misuse of funds represented a material breach of his agreement with SBA.

On discovery of the above facts, Mr. Obedala's loan was referred to the Office of the Inspector General (OIG). Due to this pending investigation, the SBA Birmingham Disaster Loan Servicing Center (BDLSC) is not able to grant Mr. Obedala's request at this time. Once the BDLSC gets clearance from the OIG, they will give Mr. Obedala's request every consideration. In the meantime, if Mr. Obedala needs further assistance, he may contact Mr. Bill Street at the SBA BDLSC at (800) 736-6048, extension 7699.

We appreciate your continued support of the SBA and the Tennessee small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John A. Miller  
Director  
Office of Financial Program Operations

cc: Bill Street, Jr., SBA BDLSC