

August 28, 2012

The Honorable Dianne Feinstein
United States Senator
One Post Street, Suite 2450
San Francisco, California 94104

Dear Senator Feinstein:

Thank you for your recent inquiry on behalf of Robin and Ulysses Torassa regarding their concerns with the collection of their U. S. Small Business Administration (SBA) disaster loan.

On April 28, 2006, SBA approved a disaster home loan to the Torassas in the amount of \$159,900 which was later increased to \$191,900. This loan has the following terms: an annual interest rate of 2.687 percent, a monthly payment of \$788, and a repayment term of 30 years. At loan origination, this loan was secured by a parcel of real property in Forest Knolls, California. As of August 28, 2012, this loan had an outstanding principal balance of \$178,888.08.

In their letter to your office, the Torassas express their concerns as to the short sale of their real property collateral and the effect of recent California legislation on their SBA obligation. With regard to the legislation being referenced by the Torassas, this statute pertains to the ability of creditors to pursue deficiencies against borrowers in the context of an approved short sale of collateral real estate. Please be advised that SBA is aware of this California statute and is currently reviewing this matter as applied to the Agency and the Torassas. Also, during this review period, the Torassas SBA loan has been recalled from the U.S. Department of the Treasury's collection program, thus suspending any further collection efforts on this matter. If the Torassas would like to discuss the collection of their loan, they may contact Mr. Viet Bui of the SBA National Disaster Loan Resolution Center (NDLRC) at (714) 564-2893.

We appreciate your support of the SBA and the California small business community. If you and your staff have further 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: Viet Bui, SBA NDLRC