Correspondence: Zweimer, Stephan, 1972
November - December

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT
NEW YORK - PENNSYLVANIA
116 SOUTH MAIN STREET
WILKES BARRE, PENNA. 18701
TELEPHONE 717/823-8757

NOVEMBER 28, 1972

SENATOR HUGH SCOTT
UNITED STATES SENATE
WASHINGTON, D. C. 20510

COPY

RE: MR. AND MRS. JACK FRIER

DEAR SENATOR SCOTT:

REFERENCE IS MADE TO PREVIOUS CORRESPONDENCE TO YOU FROM THE ABOVE-CAPTIONED CONSTITUENT, YOUR INQUIRY ON THEIR BEHALF OF OCTOBER 27, 1972 TO THE SMALL BUSINESS ADMINISTRATION, AND THEIR REPLY TO YOU ON NOVEMBER 7, 1972.

APPARENTLY, THE PROBLEM WAS NOT FULLY EXPLAINED IN ANY OF THE CORRESPONDENCE HERETOFORE AND IS SPECIFICALLY RELATED TO THE ATTITUDE OF THE SMALL BUSINESS ADMINISTRATION, NOT ONLY TO THE FRIERS BUT TO MANY OF THIS DISASTER-RIDDEN COMMUNIT

THE FRIERS HAD SUBSTANTIAL DAMAGE TO THEIR HOME TO SUCH AN EXTENT THAT IT IS HIGHLY QUESTIONABLE WHETHER IT WOULD BE WORTH-WHILE TO GO BACK UNDER ANY CIRCUMSTAN THEY HAD REQUESTED THAT THE MONEY APPROVED FOR RECONSTRUCTION PURPOSES INSTEAD BE AVAILABLE FOR THEM FOR RELOCATION PURPOSES AND THIS THE SMALL BUSINESS ADMINISTRATI WAS WILLING TO DO. HOWEVER, BEFORE THEY WOULD DO THAT, THEY DEMANDED THAT THE FRIA GRANT TO THE SMALL BUSINESS ADMINISTRATION A MORTGAGE ON THE DAMAGED PROPERTY IN ORDER FOR THEM TO SECURE THE $10,000.00 ALLOCATED FOR PERSONAL PROPERTY REPLACEMENT IF THE FRIARS SUBSEQUENTLY SOLD THE DAMAGED PROPERTY, THEY WOULD THEN HAVE TO SATIS THE PERSONAL PROPERTY LOAN OUT OF THE PROCEEDS (LESS THE FORGIVENESS FACTOR) AND IN EFFECT, THEREFORE, WOULD HAVE RECEIVED NO PERSONAL PROPERTY LOAN WHATSOEVER. THIS IS UNFAIR AND DISCRIMINATORY. A FLOOD VICTIM WHO OWNED NO REAL PROPERTY WOULD GET HIS PERSONAL PROPERTY LOAN WITHOUT ANY DIFFICULTY, WHEREAS, FLOOD VICTIMS WHO DO OW PROPERTY AND HAVE NOT YET REPLACED OR RELOCATED WOULD ON THE SALE OF THE ORIGINAL PROPERTY, FIND THAT THEY HAD RECEIVED NO FLOOD RELIEF WHATSOEVER, WITH THE EXCEPTIO OF THE FORGIVENESS FACTOR.

IT IS TO THIS SITUATION THAT THE FRIERS COMPLAINED TO YOU AND IT IS TO THIS SITUATION THAT I AM ALSO REQUESTING YOUR ASSISTANCE. I REPRESENT MANY FLOOD VICTIM IN THIS UNHAPPY AREA WHO HAVE EXACTLY THE SAME PROBLEM, WHO DO NOT PLAN TO RECONSTR THEIR PROPERTY AND DO NOT KNOW WHETHER THEY WILL BE IN A POSITION WITHIN THE TIME PERIOD ALLOTTED BY THE SMALL BUSINESS ADMINISTRATION TO MAKE A DECISION TO RELOCATE. MANY FLOOD VICTIMS ARE SADDLED WITH LEASES THAT EXTEND BEYOND THE PERIOD THAT THE SMALL BUSINESS ADMINISTRATION GIVES THEM TO MAKE THESE DECISIONS.

ALL WE ARE ASKING OF THEM IS THAT THEY GRANT THE PERSONAL PROPERTY LOANS, USIN THE UNDERLYING ACQUISITIONS AS COLLATERAL AND NOT REQUESTING MORTGAGES ON REAL property until such real property becomes the subject of an actual Small Business Administration loan.

Sincerely yours,

STEPHAN ZNEIMER
Certified Public Accountant

SZ:htm

cc: Mrs. Jack Frier

Stephan Zneime[r]
Certified Public Accountant
New York - Pennsylvania
116 South Main Street
Wilkes Barre, Penna. 18701
Telephone 717/823-8757

November 28, 1972

Judge Max Rosenn
c/o Flood Recovery Task Force, Inc.
Second Floor
Sterling Hotel
Wilkes-Barre, Pennsylvania

Re: Mr. and Mrs. Jack Frier

Dear Judge Rosenn:

I am using the above-captioned flood disaster victim as an example of a problem that is confronting many of us here in the Wilkes-Barre area.

If a flood disaster victim had personal property losses subject to a personal property loan of $10,000.00 and had real estate losses as well, the Small Business Administration will only grant the $10,000.00 personal property loan if the borrower is willing to collateralize such a loan with a mortgage on the real property.

If the real property sustained such substantial damage that the borrower does not wish to reconstruct and he subsequently sells such real property inasmuch as the Small Business Administration holds a mortgage on it, the proceeds of that sale will then serve to satisfy the personal property loan, thereby effectively discriminating against this victim by eliminating any personal property loan value other than the forgiveness factor.

The Small Business Administration contends that by changing the nature of the real estate loan from reconstruction to relocation, these funds would automaticall be available to the borrower again. However, this presupposes that the victim wil be able to find a property to relocate within the time period prescribed by the Small Business Administration. If they cannot do this or cannot make up their min within this time period then the foregoing situation will hold true. They will have received neither a personal property loan nor a real estate loan and thus wil be discriminated against these vis-a-vis a flood victim who owned no real property to begin with.

Although I am specifically identifying the Friers as the case in point, I find that I am representing many others who are in exactly the same predicament.

Sincerely yours,

Stephan Zneimer

Stephan Zneimer
Certified Public Accountant

SZ:htm

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT
NEW YORK - PENNSYLVANIA
116 SOUTH MAIN STREET
WILKES BARRE, PENNA. 18701
TELEPHONE 717/823-8757

NOVEMBER 28, 1972

SENATOR HUGH SCOTT
UNITED STATES SENATE
WASHINGTON, D. C. 20510

COPY

RE: MR. AND MRS. JACK FRIER

DEAR SENATOR SCOTT:

REFERENCE IS MADE TO PREVIOUS CORRESPONDENCE TO YOU FROM THE ABOVE-CAPTIONED CONSTITUENT, YOUR INQUIRY ON THEIR BEHALF OF OCTOBER 27, 1972 TO THE SMALL BUSINESS ADMINISTRATION, AND THEIR REPLY TO YOU ON NOVEMBER 7, 1972.

APPARENTLY, THE PROBLEM WAS NOT FULLY EXPLAINED IN ANY OF THE CORRESPONDENCE HERETOFORE AND IS SPECIFICALLY RELATED TO THE ATTITUDE OF THE SMALL BUSINESS ADMINISTRATION, NOT ONLY TO THE FRIERS BUT TO MANY OF THIS DISASTER-RIDDEN COMMUNITY.

THE FRIERS HAD SUBSTANTIAL DAMAGE TO THEIR HOME TO SUCH AN EXTENT THAT IT IS HIGHLY QUESTIONABLE WHETHER IT WOULD BE WORTH-WHILE TO GO BACK UNDER ANY CIRCUMSTANCES. THEY HAD REQUESTED THAT THE MONEY APPROVED FOR RECONSTRUCTION PURPOSES INSTEAD BE AVAILABLE FOR THEM FOR RELOCATION PURPOSES AND THIS THE SMALL BUSINESS ADMINISTRATION WAS WILLING TO DO. HOWEVER, BEFORE THEY WOULD DO THAT, THEY DEMANDED THAT THE FRIARS GRANT TO THE SMALL BUSINESS ADMINISTRATION A MORTGAGE ON THE DAMAGED PROPERTY IN ORDER FOR THEM TO SECURE THE $10,000.00 ALLOCATED FOR PERSONAL PROPERTY REPLACEMENT. IF THE FRIARS SUBSEQUENTLY SOLD THE DAMAGED PROPERTY, THEY WOULD THEN HAVE TO SATISFY THE PERSONAL PROPERTY LOAN OUT OF THE PROCEEDS (LESS THE FORGIVENESS FACTOR) AND IN EFFECT, THEREFORE, WOULD HAVE RECEIVED NO PERSONAL PROPERTY LOAN WHATSOEVER. THIS IS UNFAIR AND DISCRIMINATORY. A FLOOD VICTIM WHO OWNED NO REAL PROPERTY WOULD GET HIS PERSONAL PROPERTY LOAN WITHOUT ANY DIFFICULTY, WHEREAS, FLOOD VICTIMS WHO DO OWN PROPERTY AND HAVE NOT YET REPLACED OR RELOCATED WOULD ON THE SALE OF THE ORIGINAL PROPERTY, FIND THAT THEY HAD RECEIVED NO FLOOD RELIEF WHATSOEVER, WITH THE EXCEPTION OF THE FORGIVENESS FACTOR.

IT IS TO THIS SITUATION THAT THE FRIERS COMPLAINED TO YOU AND IT IS TO THIS SITUATION THAT I AM ALSO REQUESTING YOUR ASSISTANCE. I REPRESENT MANY FLOOD VICTIMS IN THIS UNHAPPY AREA WHO HAVE EXACTLY THE SAME PROBLEM, WHO DO NOT PLAN TO RECONSTRUCT THEIR PROPERTY AND DO NOT KNOW WHETHER THEY WILL BE IN A POSITION WITHIN THE TIME PERIOD ALLOTTED BY THE SMALL BUSINESS ADMINISTRATION TO MAKE A DECISION TO RELOCATE. MANY FLOOD VICTIMS ARE SADDLED WITH LEASES THAT EXTEND BEYOND THE PERIOD THAT THE SMALL BUSINESS ADMINISTRATION GIVES THEM TO MAKE THESE DECISIONS.

ALL WE ARE ASKING OF THEM IS THAT THEY GRANT THE PERSONAL PROPERTY LOANS, USING THE UNDERLYING ACQUISITIONS AS COLLATERAL AND NOT REQUESTING MORTGAGES ON REAL

PROPERTY UNTIL SUCH REAL PROPERTY BECOMES THE SUBJECT OF AN ACTUAL SMALL BUSINESS ADMINISTRATION LOAN.

SINCERELY YOURS,

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT

SZ:HTM

CC: MRS. JACK FRIER

7flood

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT
NEW YORK - PENNSYLVANIA
116 SOUTH MAIN STREET
WILKES BARRE, PENNA. 18701
TELEPHONE 717/823-8757

December 12, 1972

Judge Max Rosenn
Flood Recovery Task Force, Inc.
Hotel Sterling
Wilkes-Barre, Pennsylvania 18701

Re: Mr. and Mrs. Jack Frier

Dear Judge Rosenn:

Thank you for your letter of November 30, 1972, relative to the above-captioned applicant for a Small Business Administration loan.

Since receiving such letter, I have been contacted by the Office of the Acting Associate Administrator for Operations and Investment, at whose suggestion I am directing a letter to the General Council of the Small Business Administration, a copy of which is enclosed.

Sincerely yours,

Stephan Zneimer
STEPHAN ZNEIMER
Certified Public Accountant

SZ:htm

cc: Mr. and Mrs. Jack Frier

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT
NEW YORK - PENNSYLVANIA
116 SOUTH MAIN STREET
WILKES BARRE, PENNA. 18701
TELEPHONE 717/823-8757

December 12, 1972

COPY

Honorable Hugh Scott
United States Senate
Washington, D. C. 20510

Re: Mr. and Mrs. Jack Frier

Dear Senator Scott:

Thank you for your letter of November 30, 1972, relative to the above-captioned applicant for a Small Business Administration loan.

Since receiving such letter, I have been contacted by the Office of the Acting Associate Administrator for Operations and Investment, at whose suggestion I am directing a letter to the General Council of the Small Business Administration, a copy of which is enclosed.

Sincerely yours,

STEPHAN ZNEIMER
Certified Public Accountant

SZ:htm

cc: Mr. and Mrs. Jack Frier
Judge Max Rosenn, Flood Recovery Task Force, Inc.

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT
NEW YORK - PENNSYLVANIA
116 SOUTH MAIN STREET
WILKES BARRE, PENNA. 18701
TELEPHONE 717/823-8757

DECEMBER 11, 1972

COPY

JOHN A. KNABEL, ESQ.
GENERAL COUNSEL
SMALL BUSINESS ADMINISTRATION
ROOM 700
1441 L STREET NORTHWEST
WASHINGTON, D. C. 20416

RE: MR. AND MRS. JACK FRIER

DEAR MR. KNABEL:

AT THE SUGGESTION OF ACTING ASSOCIATE ADMINISTRATOR FOR OPERATIONS AND INVESTMENT, STEPHEN H. BEDWELL, OF THE SMALL BUSINESS ADMINISTRATION IN WASHINGTON, D.C., I AM REQUESTING YOUR CONSIDERATION OF AN AMENDMENT OF THE REGULATIONS CONCERNING DISASTER LOANS, WITH SPECIFIC REFERENCE TO THE ABOVE-CAPTIONED APPLICANT, WHO I AM USING AS A TEST CASE, BUT WHOSE SITUATION IS ACTUALLY VERY SIMILAR TO MANY OF MY CLIENTS, FRIENDS, AND OTHER MEMBERS OF THIS COMMUNITY WHO WERE SO DISASTROUSLY AFFECTED BY THE FLOODS WHICH HIT WYOMING VALLEY ON JUNE 23, 1972.

FOR THE RECORD, THE ABOVE-CAPTIONED APPLICANT OWNS HIS OWN HOME, WHICH WAS SUBSTANTIALLY DAMAGED BY THE FLOOD, AS WELL AS VIRTUALLY ALL THE CONTENTS THEREOF. THEY HAD FILED AN APPLICATION FOR SMALL BUSINESS ADMINISTRATION ASSISTANCE AND WERE GRANTED APPROVAL FOR $28,600.00 TO REPAIR OR REPLACE REAL PROPERTY, $6,700.00 TO LIQUIDATE THE EXISTING MORTGAGE ON REAL ESTATE AND $10,000.00 TO REPLACE PERSONAL PROPERTY, MAKING A TOTAL APPROVAL OF $45,300.00, SUBJECT TO A $5,000.00 FORGIVENESS. THEIR HOME IS UNLIVABLE AT THE MOMENT. THEY ARE CURRENTLY RESIDING IN A TEMPORARY APARTMENT. THEY ARE CONFRONTED WITH SUBSTANTIAL EMOTIONAL PROBLEMS AS TO WHETHER OR NOT TO RECONSTRUCT AND ARE SERIOUSLY CONSIDERING ABANDONING THE PROPERTY, SELLING IT FOR WHATEVER RESIDUAL VALUE IS LEFT THEREON AND RELOCATING OUTSIDE OF THE FLOOD PLAIN. AT THIS MOMENT THEIR PLANS ARE STILL INDEFINITE, REAL ESTATE VALUES IN OUR AREA OUTSIDE OF THE FLOOD PLAIN HAVE SKY-ROCKETED BEYOND REASONABLENESS. IT IS EXPECTED THAT THESE VALUES WILL LEVEL OFF IN TIME BUT WHEN THAT TIME WILL OCCUR, WE DO NOT KNOW. IN THE MEANTIME, THE FRIER'S MAY VERY WELL DECIDE TO SELL THEIR DAMAGED HOME AND IF THEY DO, THIS IN ACCORDANCE WITH SMALL BUSINESS ADMINISTRATION REGULATIONS IS WHAT IS GOING TO HAPPEN TO THEM.

A. IF THEY SELL THE HOME PRIOR TO SMALL BUSINESS ADMINISTRATION'S APPROVAL TO TRANSFER THE LOAN VALUE TO RELOCATION, THEY WILL NO LONGER BE ELIGIBLE FOR SMALL BUSINESS ADMINISTRATION ASSISTANCE IN THIS AREA.

B. IF THEY SECURE SMALL BUSINESS ADMINISTRATION APPROVAL FOR RELOCATION,

THEY MUST GRANT A MORTGAGE ON THE DAMAGED HOME AS COLLATERAL FOR TAKING THE $10,000.00 PERSONAL PROPERTY LOAN AND THEN WHEN THE DAMAGED HOME IS SOLD, THE PROCEEDS OF THAT SALE WILL BE USED TO SATISFY SUCH PERSONAL PROPERTY LOAN, THEREBY EFFECTIVELY ELIMINATING ANY PERSONAL PROPERTY LOAN TO THIS APPLICANT OVER AND ABOVE THE $5,000.00 FORGIVENESS.

C. THEY CAN ASSIGN THE PROCEEDS OF THE SALE OF THE DAMAGED HOME TO THE SMALL BUSINESS ADMINISTRATION TO BE HELD BY THE SMALL BUSINESS ADMINISTRATION IN ESCROW UNTIL SUCH TIME AS THEY HAVE MADE THEIR DECISION ON RELOCATION. IF SUCH DECISION IS NOT MADE PRIOR TO THE STATUTORY PERIOD FOR TAKING THESE APPROVED LOANS, THE APPROVAL IS THEN CANCELLED AND THE SMALL BUSINESS ADMINISTRATION HAS EFFECTIVELY DEPRIVED THE APPLICANT OF THE USE OF THEIR OWN FUNDS IN A MOST GRACIOUS FASHION.

IF THE FRIERS HAD OWNED NO REAL ESTATE WHATSOEVER, THERE WOULD BE ABSOLUTELY NO QUESTION AS TO GRANTING THEM THE $10,000.00 PERSONAL PROPERTY LOAN AND THEY WOULD HAVE NO PROBLEMS RELATIVE TO AN INVOLUNTARY PREPAYMENT OF SUCH LOAN. YOUR REGULATIONS THEN HAVE CREATED 2 CLASSES OF APPLICANTS AND HAVE DISCRIMINATED AGAINST THAT CLASS WHICH OWNS PROPERTY AND BY VIRTUE OF SUCH OWNERSHIP OF PROPERTY, REPRESENTS A MORE FINANCIAL SECURE SEGMENT OF THE POPULATION AS OPPOSED TO THOSE WHO DO NOT OWN PROPERTY. THIS DISCRIMINATION IS UNFAIR, UNJUST AND CAPRICIOUS AND I AM PREVAILING UPON YOUR GOOD OFFICES TO SEE IF SOMETHING CANNOT BE DONE TO AMEND THE REGULATIONS SO THAT A MORE EQUITABLE TREATMENT WOULD BE AVAILABLE TO ALL.

VERY TRULY YOURS,

STEPHAN ZNEIMER
CERTIFIED PUBLIC ACCOUNTANT

SZ:HTM

CC: SENATOR HUGH SCOTT
MR. AND MRS. JACK FRIER
JUDGE MAX ROSENN, FLOOD RECOVERY TASK FORCE, INC.