



U.S. Small Business Administration

DISASTER NEWS

Loans for Businesses of All Sizes, Homeowners and Renters

SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

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SBA Helping Michigan Businesses and Residents Recover From June Severe Storms and Flooding

WASHINGTON –Administrator Linda McMahon of the U.S. Small Business Administration issued the following statement after the announcement of the Presidential disaster declaration for several counties in **Michigan** affected by severe storms and flooding on June 22-27, 2017:

“The SBA is strongly committed to providing the people of **Michigan** with the most effective and customer-focused response possible to assist businesses, homeowners and renters with federal disaster loans. Getting businesses and communities up and running after a disaster is our highest priority at SBA.”

The disaster declaration covers the counties of Bay, Gladwin, Isabella, Midland and the Saginaw Chippewa Tribe within Isabella County in **Michigan**, which are eligible for both Physical and Economic Injury Disaster Loans from the SBA. Small businesses and most private nonprofit organizations in the following adjacent counties are eligible to apply only for SBA Economic Injury Disaster Loans: Arenac, Clare, Gratiot, Mecosta, Montcalm, Ogemaw, Osceola, Roscommon, Saginaw and Tuscola in **Michigan**.

Businesses and nonprofits can apply for up to \$2 million to repair or replace disaster damaged real estate, machinery, equipment, inventory, and other business assets. Loans for working capital, known as Economic Injury Disaster Loans, are available even if the business did not suffer any physical damage. Homeowners can apply for up to \$200,000 to repair or replace disaster damaged real estate. Homeowners and renters can apply for up to \$40,000 to repair or replace damaged personal property including automobiles.

Interest rates are as low as 3.215 percent for businesses, 2.5 percent for private nonprofit organizations, and 1.938 percent for homeowners and renters, with terms up to 30 years. The SBA customizes loan amounts and terms based on each applicant’s circumstances.

Applicants may apply online using the Electronic Loan Application (ELA) via the SBA’s secure website at <https://disasterloan.sba.gov/ela>.

To be considered for all forms of disaster assistance, applicants should register online at www.DisasterAssistance.gov or by mobile device at m.fema.gov. If online or mobile access is unavailable, applicants should call the FEMA toll-free helpline at 800-621-3362. Those who use 711-Relay or Video Relay Services should call 800-621-3362.

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Additional details on the locations of Disaster Recovery Centers and the loan application process can be obtained by calling the SBA Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an e-mail to disastercustomerservice@sba.gov.

The filing deadline to submit applications for physical property damage is **Oct. 2, 2017**. The deadline for economic injury applications is **May 2, 2018**.

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For more information about the SBA's Disaster Loan Program, visit our website at www.sba.gov/disaster.



U. S. SMALL BUSINESS ADMINISTRATION FACT SHEET - DISASTER LOANS

MICHIGAN Declaration 15228 & 15229

(Disaster: MI-00058)

Incident: SEVERE STORMS AND FLOODING

occurring: June 22-27, 2017

Application Filing Deadlines:

Physical Damage: October 2, 2017 Economic Injury: May 2, 2018

If you are located in a declared disaster area, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

What Types of Disaster Loans are Available?

- Business Physical Disaster Loans – Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible.
- Economic Injury Disaster Loans (EIDL) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster-damaged real estate and personal property, including automobiles.

What are the Credit Requirements?

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay all loans.
- Collateral – Collateral is required for physical loss loans over \$25,000 and all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but requires you to pledge what is available.

What are the Interest Rates?

By law, the interest rates depend on whether each applicant has Credit Available Elsewhere. An applicant does not have Credit Available Elsewhere when SBA determines the applicant does not have sufficient funds or other resources, or the ability to borrow from non-government sources, to provide for its own disaster recovery. An applicant, which SBA determines to have the ability to provide for his or her own recovery is deemed to have Credit Available Elsewhere. Interest rates are fixed for the term of the loan. The interest rates applicable for this disaster are:

	No Credit Available Elsewhere	Credit Available Elsewhere
Business Loans	3.215%	6.430%
Non-Profit Organization Loans	2.500%	2.500%
Economic Injury Loans		
Businesses and Small Agricultural Cooperatives	3.215%	N/A
Non-Profit Organizations	2.500%	N/A
Home Loans	1.938%	3.875%

What are Loan Terms?

The law authorizes loan terms up to a maximum of 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 7-year term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

What are the Loan Amount Limits?

- Business Loans – The law limits business loans to \$2,000,000 for the repair or replacement of real estate, inventories, machinery, equipment and all other physical losses. Subject to this maximum, loan amounts cannot exceed the verified uninsured disaster loss.

- **Economic Injury Disaster Loans (EIDL)** – The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration.
- **Business Loan Ceiling** – The \$2,000,000 statutory limit for business loans applies to the combination of physical, economic injury, mitigation and refinancing, and applies to all disaster loans to a business and its affiliates for each disaster. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.
- **Home Loans** – SBA regulations limit home loans to \$200,000 for the repair or replacement of real estate and \$40,000 to repair or replace personal property. Subject to these maximums, loan amounts cannot exceed the verified uninsured disaster loss.

What Restrictions are there on Loan Eligibility?

- **Uninsured Losses** – Only uninsured or otherwise uncompensated disaster losses are eligible. Any insurance proceeds which are required to be applied against outstanding mortgages are not available to fund disaster repairs and do not reduce loan eligibility. However, any insurance proceeds voluntarily applied to any outstanding mortgages do reduce loan eligibility.
- **Ineligible Property** – Secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible, unless used for business purposes. Property such as antiques and collections are eligible only to the extent of their functional value. Amounts for landscaping, swimming pools, etc., are limited.
- **Noncompliance** – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA loans.

Note: Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.

Is There Help with Funding Mitigation Improvements?

If your loan application is approved, you may be eligible for additional funds to cover the cost of improvements that will protect your property against future damage. Examples of improvements include retaining walls, seawalls, sump pumps, safe rooms, etc. Mitigation loan money would be in addition to the amount of the approved loan, but may not exceed 20 percent of total amount of physical damage to real property, including leasehold improvements, and personal property as verified by SBA to a maximum of \$200,000 for home loans. It is not necessary for the description of improvements and cost estimates to be submitted with the application. SBA approval of the mitigating measures will be required before any loan increase.

Is There Help Available for Refinancing?

- SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40 percent or more of the value of the property or 50% or more of the value of the structure), and (3) intends to repair the damage.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, up to the amount of the loan for real estate repair or replacement.

What if I Decide to Relocate?

You may use your SBA disaster loan to relocate. The amount of the relocation loan depends on whether you relocate voluntarily or involuntarily. If you are interested in relocation, an SBA representative can provide you with more details on your specific situation.

Are There Insurance Requirements for Loans?

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of 1) the total of the disaster loan, 2) the insurable value of the property, or 3) the maximum insurance available.

For more information, contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at <http://www.sba.gov/disaster>. Deaf and hard-of-hearing individuals may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.

FACT SHEET: USDA PROGRAMS THAT ASSIST INDIVIDUALS AND SMALL BUSINESSES

Updated March 9, 2017

USDA Assistance Programs – Disaster

USDA's authority to provide emergency assistance for its various disaster relief programs exists under the Robert T. Stafford Disaster Relief Emergency Assistance Act (Stafford Act), Agriculture Secretary disaster designations, Food and Nutrition Act of 2008, as well as other authorizing legislation. These authorities are identified in the various USDA program descriptions.

Nutrition Assistance

<http://www.fns.usda.gov/disaster-assistance>

USDA's Food and Nutrition Service (FNS) coordinates with State, local and voluntary organizations to provide food for shelters and other mass feeding sites; and issue Disaster Supplemental Nutrition Assistance Program benefits.

USDA Foods for Disaster Assistance – FNS provides USDA Foods to disaster relief agencies for mass feeding sites. Under certain circumstances, States also can release, with FNS approval, USDA Foods to disaster relief agencies to distribute directly to households that are in need.

A request by a State Governor and a Presidential emergency or disaster declaration are required in order to trigger disaster assistance under the Stafford Act.

D-SNAP - FNS may authorize a D-SNAP when the President declares a major disaster with individual assistance under the Stafford Act. States must request approval from FNS to issue D-SNAP benefits in areas affected by a disaster.

People who might not ordinarily qualify for the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) may be eligible for D-SNAP if they had disaster related expenses, such as loss of income, damage to property, relocation expenses, and in some cases, loss of food due to power outages. D-SNAP benefits are provided through an electronic benefit transfer card that can be used at authorized food retailers to buy food.

People who are already participating in the regular SNAP may be eligible for additional benefits under the D-SNAP.

Landowners, Farmers, Ranchers and Producers Assistance

USDA offers many programs that can provide assistance to landowners, farmers, ranchers and producers during disasters. For complete details and eligibility requirements regarding USDA's disaster assistance programs, contact the local [USDA office](#).

Conservation Programs

Emergency Conservation Program (ECP) - ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would: impair or endanger the land; materially affect the productive capacity of the land; represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use. Program availability is subject to the availability of funding.

Emergency Watershed Protection Program (EWP) - The EWP program helps protect lives and property threatened by natural disasters such as floods, hurricanes, tornadoes, and wildfires. The program provides technical and financial assistance to preserve life and property threatened by excessive erosion and flooding. Owners, managers, and users of public, private, or tribal lands are eligible for EWP assistance if their watershed area has been damaged by a natural disaster. Program availability is subject to the availability of funding.

Emergency Watershed Protection Program – Floodplain Easements - The Emergency Watershed Protection Program Floodplain Easements provides for the purchase of floodplain easements as an emergency measure. Floodplain easements restore, protect, maintain, and enhance the functions of the floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods, drought, and the products of erosion. Program availability is subject to the availability of funding.

Emergency Forest Restoration Program (EFRP) – This program provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster. Program availability is subject to the availability of funding.

Crops

Crop Losses

Noninsured Crop Disaster Assistance Program (NAP) - NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers crop losses and planting prevented by disasters who have timely signed up for the program at the beginning of the crop year. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible to sign up for the program. Eligible crops include agricultural commodities for which the catastrophic level of Federal crop insurance is unavailable.

Tree Assistance Program (TAP) – This program provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters.

Livestock

Livestock Forage Disaster Program (LFP) – This program provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on land that is native

or improved pastureland with permanent vegetative cover or that is planted specifically for grazing

Livestock Indemnity Program (LIP) – This program provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather or by attacks by animals reintroduced into the wild by the federal government.

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP) – This program provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather or other conditions, such as blizzards and wildfires, not covered by LFP and LIP.

Loans

Emergency Loan Program (ELP) – This program is triggered when a quarantine is imposed by the Secretary, a natural disaster is designated by the Secretary, or a natural disaster or emergency is declared by the President under the Stafford Act.

FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. Emergency loans may be made to farmers and ranchers who own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance). All counties contiguous to the declared, designated, or quarantined primary counties also are eligible for Emergency loans. Emergency loan funds may be used to: restore or replace essential property; pay all or part of production costs associated with the disaster year; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

Risk Management

USDA's Risk Management Agency (RMA) is an agency that provides insurance to farmers and ranchers through private industry. For farmers and ranchers that have sustained crop damage, RMA will ensure that their claims will be processed in a timely manner.

Housing Assistance

For emergency assistance with immediate housing contact FEMA.

<http://www.fema.gov/>.

USDA Rural Development Single-Family Housing Loan Borrowers or Grant Recipients:

Natural Disaster Loans and Grants are available -- in counties designated by the Presidential as a disaster area -- to help families whose Rural Development-financed homes were damaged or destroyed. To qualify:

Homes must be in a disaster area designated by the President;

Homeowners must verify that damage is the direct result of the disaster; and

Applicants and their homes must meet the all [eligibility requirements](#) for the [single-family housing](#) program.

Loan servicing options are available to help families who experience financial problems after the disaster. Servicing options include:

Moratoriums -- a temporary period where no payment is required -- for up to 180 days for borrowers who have lost employment, sustained severe property damage or medical expenses

Reamortization -- rescheduling loan payments to determine a new monthly payment amount -- if needed following a moratorium or to resolve account delinquency

To request loan servicing assistance, borrowers should contact the *Centralized Servicing Center* at:

USDA Rural Development
Centralized Servicing Center
Attn.: Borrower Assistance Branch Special Assistance Section
Post Office Box 66889
St. Louis, MO 63166
Phone: (800) 414-1226
TDD: (800) 438-1832

Multi-Family Housing Loan Borrowers and Their Tenants - Residents in Rural Development-financed apartment complexes who are displaced by a natural disaster may apply for occupancy at any of our apartment complexes and receive special priority consideration for the next available unit. Displaced tenants who are receiving [Rental Assistance](#) may have their subsidy transferred if the complex they move to is eligible for the Rental Assistance program.

Although Rural Development expects borrowers' hazard insurance to cover damage costs associated with the disaster, we can consider temporary measures to reduce borrowers' financial burdens and work with them, if needed, to develop a servicing workout plan.

To request loan servicing assistance, borrowers should contact Multi-Family Housing Specialists in their [State Office](#).

Business Assistance

Rural Development's business programs normally do not have disaster assistance authority. However, many of USDA Rural Development programs can help provide financial relief to small businesses as a result of natural disasters.

Business and Industry (B&I) Guaranteed Loan Programs - Under the B&I Guaranteed Loan Program, loans can be made to eligible entities including corporations, partnerships, cooperatives, Federally-recognized Indian Tribes, individuals, and other legal entities to provide financial assistance for a variety of purposes including capital expenditures, working capital, equipment, and refinancing. Purposes can include the repair and damage to businesses as a result of the natural disaster.

Intermediary Relending Program - Under IRP, loans are made to intermediaries who provide loans to ultimate recipients for business facilities and community development projects. The loan is made to an intermediary re-lender who, in turn, establishes a revolving fund and re-lends to various entities for eligible purposes. Businesses impacted by natural disasters could possibly qualify as a recipient for the revolved funds under this program.

Rural Economic Development Loan and Grant Program - The REDLG Program provides financial assistance to Utilities Programs electric and telephone borrowers to re-lend for a variety of economic business and community development purposes. Loans are provided to finance a broad array of projects including for-profit businesses. Utilities Programs borrowers may receive financing for grant purposes through either a grant to establish a revolving loan fund or a combination loan and grant.

To apply, business owners should contact Business Program Specialists in their **State Office**.

Education

The Cooperative Extension System's **Extension Disaster Education Network** (EDEN) works to decrease the impact of disasters through education. Anyone with a computer or a smart phone can access science based information they can trust from EDEN as they prepare for, respond to, or recover from a disaster. The Cooperative Extension System is a federal (through the USDA National Institute of Food and Agriculture), state (through land grant universities) and local (through local support) partnership.
