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SBA Disaster Assistance materials

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Thu, Aug 3, 2023 at 4:45 PM

Hi again Josh:

Thanks again for speaking with me when I stopped by City Hall earlier today. As we discussed, I'm a Public Affairs Specialist for the SBA Office of Disaster Recovery and Resilience and staying in Colchester while working in Lamoille, Chittenden and Addison counties following the July 7 severe storms and flood event.

I hope to partner together to inform the Town of Richmond's residents about the Physical Damage loans that we have made available through September 12th, as well as the Economic Injury Disaster Loans (EIDL) we've made available through April 15, 2024. The attached documents are electronic versions of some of what you may already have and be sharing on Front Porch Forum.

Residents of **Caledonia, Chittenden, Lamoille, Orange, Orleans, Rutland, Washington, Windham, and Windsor** counties in Vermont are eligible for both loans; however small businesses and most private nonprofit organizations in the Vermont counties of Addison, Bennington, Franklin, Grand Isle and Orleans are only eligible to apply only for the EIDL's. *(In addition, the EIDL's apply to business and non-profit owners in the Massachusetts County of: Franklin; the New Hampshire counties of: Cheshire, Grafton, and Sullivan; and the New York counties of: Clinton, Essex, and Washington.)* To assist small businesses and nonprofit organizations with walk-in assistance seven days a week—we're operating (until further notice) the following SBA Business Recovery Centers (BRC's):

- **Lamoille County**
 - 29 Sunset Drive in Morrisville
 - Hours: Mon - Sun 8:00 am - 5:00 pm
- **Washington County**
 - 751 Granger Road in Berlin
 - Hours: Mon - Sun 8:00 am - 5:00 pm
- **Windsor County**
 - 126 Main Street in Ludlow
 - Hours: Mon - Sun 8:00 am - 5:00 pm

Applications can also be made online at www.disasterloanassistance.sbs.gov/ela/s or by phone at 800-659-2955. SBA customer-service representatives are also on-site at the six FEMA Disaster Recovery Centers (DRC's) in Orleans, Rutland, Washington, Windham and Wharton counties to take applications and to offer assistance.

Please feel free to call me with any questions, and I look forward to addressing the August 21st Selectboard meeting.

Sincerely,

Jim Accurso

Public Affairs Specialist

Field Operations Center - East

Office of Disaster Recovery & Resilience

U.S. Small Business Administration

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4 attachments



FOCE Business Disaster Loans 071923.pdf

101K



FOCE COM VT 18016 Home Flyer english 2023_07_16.pdf

295K



FOCE HomeRent ONA need to know flyer 073023.pdf

103K



VT_18016_Fact_Sheet_2023_07_26 USE THIS ONE.pdf

102K

Disaster Loans for Businesses



Benefits of a disaster loan

- Fixed interest rate as low as 4% for businesses; 2.375% for nonprofits
- Borrowers have no payments until one year from the date of the note
- Interest will not accrue until 12 months from the date of the first disbursement
- No collateral up to \$25,000
- No cost to apply
- Funds available for mitigation measures to rebuild stronger
- Up to \$2 million to cover physical damages and financial losses

What small businesses and non-profits need to apply for a disaster loan

- Cell phone and contact information for all applicants
- Social Security numbers and Employer Identification Numbers (EIN) for all applicants / owners
- Financial information (e.g., income, account balances, monthly expenses etc.)
- Complete copy of the most recent Federal income tax return
- Insurance information, if available



Ways to Apply

- Scan the **QR Code** to apply for an SBA disaster loan
- Or visit the website at disasterloanassistance.sba.gov
- Or call **(800) 659-2955** or (TTT) 7-1-1 to request an application
- Or visit a FEMA Disaster Recovery Center ([click here for locator](#)) or

an SBA **Business Recovery Center** (call 800-659-2955 for locations) to meet with an SBA representative.

Questions? Call (800) 659-2955 (dial 7-1-1 to access telecommunications relay services) or visit sba.gov/disaster





U.S. Small Business
Administration

DISASTER ASSISTANCE
Businesses • Homeowners • Renters • Nonprofits

SBA Disaster Loans for Homeowners & Renters in Vermont

What You Need to Apply for a Homeowner or Renter Disaster Loan

- Applicant's cell phone # (for verification) & contact information for all applicants
- Social Security Numbers for all applicants
- Financial information (income, account balances, monthly expenses)
- Information about your deed or lease
- Insurance information, if available



Benefits of an SBA Disaster Loan

- Fixed interest rate as low as 2.5%
- Automatic, 12-month payment deferment w/ **0%** interest for the first **12 months**
- Terms up to 30 years
- No Insurance settlement needed to apply or receive loan
- No collateral required for up to \$25,000
- \$200,000 maximum loan for Homeowners Physical Disaster Loan
- \$40,000 maximum loan for contents/personal property for Homeowners & Renters; includes vehicles
- Funds available to rebuild stronger (**mitigation**)



Three Ways to Apply

- **Online** at DisasterLoanAssistance.sba.gov
- **In person** – Visit a [Disaster Recovery Center- \(locator\)](#) or Business Recovery Center (call 800-659-2955 for location) to meet with an SBA representative in person
- Apply by **mail** – call (800) 659-2955 to request a paper application

Questions? Call **(800) 659-2955** (dial 7-1-1 to access telecommunications relay services) or visit sba.gov/disaster

What a homeowner or renter needs to know if FEMA refers them to SBA!

- SBA disaster loans are not just for businesses
- Many homeowners and renters who apply to FEMA will be referred to SBA
- If you are referred to SBA for a disaster loan you should apply for the loan as soon as possible
- SBA offers low interest, long term loans with **no payments or interest for 12 months**
- There is **no cost to apply**, and **no obligation** to accept the loan
- If SBA does not approve your home application, we may refer you to FEMA's Other Needs Assistance program for grant consideration
- Those with **unmet needs** may be referred to volunteer agencies or interfaith organizations for additional assistance
- **Apply** even if your income or credit keeps you from getting a loan!

Some FEMA grants depend on the outcome of a SBA disaster loan application!

Homeowners and renters who do not apply for an SBA loan may not receive additional federal assistance!



To apply

Scan the QR Code to apply for an SBA disaster loan

Or visit the website at disasterloanassistance.sba.gov

Or call **(800) 659-2955** or (TTT) 7-1-1 to request an application



U.S. Small Business Administration



U.S. Small Business
Administration

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

VERMONT Declaration 18016 & 18017 (Disaster: VT-00046)

Incident: SEVERE STORMS, FLOODING, LANDSLIDES, AND MUDSLIDES

occurring: July 7, 2023 & continuing

in the Vermont counties of: **Caledonia, Chittenden, Lamoille, Orange, Orleans, Rutland, Washington, Windham, and Windsor**; for economic injury only in the contiguous Vermont counties of: **Addison, Bennington, Essex, Franklin, and Grand Isle**; for economic injury only in the contiguous Massachusetts County of: **Franklin**; for economic injury only in the contiguous New Hampshire counties of: **Cheshire, Grafton, and Sullivan**; and for economic injury only in the contiguous New York counties of: **Clinton, Essex, and Washington**

Application Filing Deadlines:

Physical Damage: September 12, 2023 Economic Injury: April 15, 2024

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:

Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Home Loans	2.500%	5.000%
Business Loans	4.000%	8.000%
Non-Profit Organizations	2.375%	2.375%

Economic Injury Loans

Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Businesses & Small Agricultural Cooperatives	4.000%	N/A
Non-Profit Organizations	2.375%	N/A

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, 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.

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloanassistance.sba.gov/ela>. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.