



# DISASTER NEWS

*Loans for Homeowners, Renters and Businesses of All Sizes*  
SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

Release Number: 10-165, FL 11996/11997

Release Date: December 31, 2009

## **SBA Offers Disaster Assistance to Florida Residents Affected by Severe Storms and Flooding**

**WASHINGTON** – Residents and businesses affected by the severe storms and flooding that occurred Dec. 17, 2009 in Broward County, Fla. can apply for low-interest disaster loans from the U.S. Small Business Administration, SBA Administrator Karen G. Mills announced today.

Administrator Mills made the loans available in response to a letter dated Dec. 23 from Florida Gov. Charlie Crist, requesting a disaster declaration by the SBA. The declaration covers Broward County and the adjacent counties of Collier, Hendry, Miami-Dade and Palm Beach in Florida.

“The SBA is strongly committed to providing the people affected by these storms and floods with the most effective and customer-focused response possible, to assist homeowners, renters, and businesses of all sizes with federal disaster loans,” said Administrator Mills. “Getting our businesses and communities up and running after a disaster is our highest priority.”

“Loans up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible for loans up to \$40,000 to repair or replace damaged or destroyed personal property,” said Director Frank Skaggs of SBA’s Disaster Field Operations Center in Atlanta. SBA’s customer service representatives will be on hand at the Disaster Loan Outreach Center to issue loan forms, answer questions about the SBA’s disaster loan program, explain the process and help individuals complete their applications.

The Center will be located in the following community and will open as indicated:

### **SBA Disaster Loan Outreach Center (DLOC)**

<b>Broward County</b>
<b>Town of Pembroke Park – City Hall</b>
<b>3150 SW 52<sup>nd</sup> Avenue</b>
<b>Pembroke Park FL 33023</b>
<b>Opens: Tue, Jan 5 at 8:30 am</b>
<b>Open: Tue, Jan 5 – Thu., Jan 14 from 8:30 a.m. to 5:00 p.m.</b>
<b>(closed Sat/Sun Jan 9 &amp; 10)</b>
<b>Closing: Thursday, January 14 at the close of business</b>

“Businesses and non-profit organizations of any size may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets,” said Francisco A. Marrero, SBA’s South Florida district director.

The SBA also provides mitigation funds to disaster victims up to 20 percent of the verified physical damage. These funds are designed to help borrowers pay for protective measures to minimize damages of the same kind in the future.

For small businesses, and most private non-profit organizations of all sizes, the SBA offers Economic Injury Disaster Loans (EIDLs) to help meet working capital needs caused by the disaster. EIDL assistance is available regardless of whether the business suffered any physical property damage.

Interest rates are as low as 2.562 percent for homeowners, renters, 4 percent for businesses and 3 percent for non-profit organizations with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant’s financial condition.

Individuals and businesses unable to visit the Center in person may obtain information and loan applications by calling the SBA’s Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the hearing impaired), Monday through Friday from 8 a.m. to 6 p.m. EST, or by sending an e-mail to [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Business loan applications can also be downloaded from the SBA Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance). Completed applications should be returned to the Center or mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Florida residents affected by the severe storms and flooding may apply for disaster loans from SBA’s secure Web site at <https://disasterloan.sba.gov/ela/>.

The filing deadline to return applications for physical property damage is **March 1, 2010**. The deadline to return economic injury applications is **September 29, 2010**.

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*For more information about the SBA’s Disaster Loan Programs, visit our Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance).*



## U. S. SMALL BUSINESS ADMINISTRATION

### FACT SHEET - DISASTER LOANS

#### FLORIDA #11996 & #11997

(Disaster #FL-00049)

For Broward County and contiguous counties of Collier, Hendry, Miami-Dade and Palm Beach

**Severe Storms and Flooding  
Occurred December 17, 2009**

**Filing Deadline for applications for Physical Damage  
to homes, personal property, businesses:**

**March 1, 2010**

**Filing Deadline for applications for Economic Injury:**

**September 29, 2010**

Whether you rent or own your own home, own your own business, or own a small agricultural cooperative located in a declared disaster area, and are the victim of a disaster, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

#### What Types of Disaster Loans are Available?

- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles.
- 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 (EIDLs) – are working capital loans to help small businesses, small agricultural cooperatives 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.
- 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 (SBA).

#### What are Mitigation Loans?

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 disaster damage to real estate and/or leasehold improvements, 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.

#### 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 \$14,000 and all EIDL loans over \$5,000. 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:

	<b><u>No Credit Available</u></b>	<b><u>Credit Available Elsewhere</u></b>
Home Loans	2.562%	5.125%
Business Loans	4.000%	6.000%
Non-Profit Organizations	3.000%	3.625%
Economic Injury Loans Businesses and Small Agricultural Cooperatives	4.000%	N/A
Economic Injury Loans Non-Profit Organizations	3.000%	N/A

### **What are Loan Terms?**

The maximum term is 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 3-years term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

### **What are the Loan Amount Limits?**

- **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.
- **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 EIDL(s) 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. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates.
- **Business Loan Ceiling** – The \$2,000,000 statutory limit for business loans applies to the combination of physical and economic injury, 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.

### **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 are not eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA or Federally Insured loans.

### **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), and (3) intends to repair the damage.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, in some cases up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.

### **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 for the full insurable value of the property for the life of the loan.

**For more information, contact SBA Disaster Assistance Customer Service Center**

**Telephone: (800) 659-2955**

**Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)**

**Web: [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance)**