



U.S. Small Business Administration

SBA Virtual Disaster Loan Outreach Center And Virtual Business Recovery Center for MI

**Got Damage from Severe Storms and Flooding on
May 16-22, 2020?**

SBA CAN HELP!



SBA Low-Interest Federal Loans for Disaster-Related Damages

PHYSICAL DAMAGES - Businesses of all sizes and nonprofits (Real Estate, Inventory, Equipment, etc.)
ECONOMIC INJURY-Small businesses and nonprofits (Working capital, no physical damages needed to apply)
Interest rates as low as: 3% for businesses, 2.75% nonprofit organizations. Max. loan, \$2 million

HOMEOWNERS: Up to **\$200,000** for Primary Residence
HOMEOWNERS/RENTERS: Up to **\$40,000** for Personal Property
Interest rates as low as 1.25% All loans have repayment terms up to 30 years

For businesses/homeowners, mitigation is available up to 20% of SBA’s verified physical damage amount

APPLY NOW!!!

Virtual Disaster Loan Outreach Center (VDLOC)/Virtual Business Recovery Center (VBRC)

FIRST STEP: Register with FEMA at **DisasterAssistance.gov**
or download FEMA mobile App., or call (800) 621-3362

SECOND STEP: Apply online with SBA at: <https://disasterloanassistance.sba.gov/>
For one-on-one assistance call (571) 422-8013, (571) 422-6016 or (571) 422-0331
Open: Monday – Friday, from 8 a.m. – 5 p.m.
Email questions to: FOCE-Help@sba.gov

Deaf and hard of hearing: 800-877-8339 / www.sba.gov

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.



U.S. Small Business
Administration

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

MICHIGAN Declaration 16533 & 16534 (Disaster: MI-00084)

Incident: SEVERE STORMS AND FLOODING

occurring: May 16 – 22, 2020

in the Michigan counties of: **Arenac, Gladwin, Iosco, Midland, and Saginaw**; and for economic injury only in the contiguous Michigan counties of: **Alcona, Bay, Clare, Genesee, Gratiot, Isabella, Ogemaw, Oscoda, Roscommon, Shiawassee, and Tuscola**.

Application Filing Deadlines:

Physical Damage: September 08, 2020 **Economic Injury:** April 09, 2021

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	1.250%	2.500%
Business Loans	3.000%	6.000%
Non-Profit Organizations	2.750%	2.750%

Economic Injury Loans

Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Businesses & Small Agricultural Cooperatives	3.000%	N/A
Non-Profit Organizations	2.750%	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://disasterloan.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. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.



Disaster Field Operations Center East

Release Date: July 13, 2020

Contact: Michael Lampton (404) 331-0333

Michael.Lampton@sba.gov

Release Number: 20-415 MI 16533/16534

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SBA Offers Disaster Assistance to Residents of Michigan Affected by Severe Storms and Flooding

WASHINGTON – SBA Administrator Jovita Carranza issued the following statement after the announcement of the Presidential disaster declaration for several counties in **Michigan** affected by severe storms and flooding on May 16-22, 2020. Businesses and residents in the declared area can now apply for low-interest disaster loans from the U.S. Small Business Administration.

“The SBA is strongly committed to providing **Michigan** residents with the most effective 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.”

The disaster declaration covers Arenac, Gladwin, Iosco, Midland and Saginaw counties 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: Alcona, Bay, Clare, Genesee, Gratiot, Isabella, Ogemaw, Oscoda, Roscommon, Shiawassee and Tuscola in **Michigan**.

In accordance with health precautions for the Coronavirus (COVID-19), the SBA will not establish a field presence to assist survivors. However, SBA will continue to provide first class customer service and conduct outreach virtually with webinars, skype calls, phone assistance and step-by-step application assistance. As a result, SBA has opened a Virtual Disaster Loan Outreach Center/Business Recovery Center (VDLOC/VBRC) to help survivors apply online using the Electronic Loan Application (ELA) via the SBA’s secure website at <https://disasterloanassistance.sba.gov/> and there are virtual customer support representatives available to assist applicants with completing the online application. The VDLOC/VBRC information:

Virtual Disaster Loan Outreach Center/Business Recovery Center (VDLOC/VBRC)

Open: Monday – Friday

Hours: 8 a.m. – 5 p.m.

Closed: Saturdays and Sundays

FOCE-Help@sba.gov.

Phone: (571) 422-8013, (571) 422-6016 and (571) 422-0331

These services are only available for the Michigan disaster declaration as a result of the Severe Storms and Flooding on May 16-22, 2020, and not for COVID-19 related assistance.

Survivors should contact the Disaster Assistance Professionals at **(571) 422-8013, (571) 422-6016 and (571) 422-0331** to schedule an appointment for immediate one-on-one assistance in completing their applications. Requests for SBA disaster loan program information may be obtained by emailing

FOCE-Help@sba.gov. The SBA will conduct extensive outreach to ensure that all impacted by the disaster are afforded the opportunity to seek assistance.

Businesses and private nonprofit organizations of any size may borrow up to \$2 million to repair or replace disaster damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. Applicants may be eligible for a loan amount increase up to 20 percent of their physical damages, as verified by the SBA for mitigation purposes. Eligible mitigation improvements may include a safe room or storm shelter, sump pump, French drain or retaining wall to help protect property and occupants from future damage caused by a similar disaster.

For small businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private nonprofit organizations, the SBA offers Economic Injury Disaster Loans to help meet working capital needs caused by the disaster. Economic Injury Disaster Loan assistance is available regardless of whether the business suffered any physical property damage.

Disaster loans up to \$200,000 are available to homeowners to repair or replace disaster damaged or destroyed real estate. Homeowners and renters are eligible up to \$40,000 to repair or replace disaster damaged or destroyed personal property.

Interest rates are as low as 3 percent for businesses, 2.75 percent for nonprofit organizations and 1.25 percent for homeowners and renters with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant's financial condition.

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

To be considered for all forms of disaster assistance, applicants should register online at DisasterAssistance.gov or download the FEMA mobile app. 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.

Businesses and individuals may also obtain information and loan applications by calling the SBA's Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the deaf and hard-of-hearing), or by emailing disastercustomerservice@sba.gov. Loan applications can also be downloaded at www.sba.gov. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

The filing deadline to return applications for physical property damage is **Sept. 8, 2020**. The deadline to return economic injury applications is **April 9, 2021**.

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.