



U.S. Small Business Administration

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

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SBA Stands Ready to Assist Massachusetts Residents Affected by Severe Storms and Flooding

WASHINGTON – Following the announcement of the Presidential disaster declaration in Massachusetts for several counties affected by the severe storms and flooding beginning on March 12, Administrator Karen G. Mills of the U.S. Small Business Administration issued the following statement:

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

The disaster declaration covers Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk and Worcester counties in Massachusetts, which are eligible for both Physical and Economic Injury Disaster Loans from the SBA. Small businesses and most private non-profit organizations in the following adjacent counties are eligible to apply only for SBA Economic Injury Disaster Loans: Barnstable, Franklin, Hampden and Hampshire in **Massachusetts**; Tolland and Windham in **Connecticut**; Cheshire, Hillsborough and Rockingham in **New Hampshire**; and Bristol, Newport and Providence in **Rhode Island**.

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

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. SBA can also lend additional funds to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage in the future.

For small businesses and most private non-profit organizations of all sizes, 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.

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Interest rates are as low as 2.625 percent for homeowners and renters, 4 percent for businesses and 3 percent for non-profit organization with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant's financial condition.

To be considered for all forms of disaster assistance call the Federal Emergency Management Agency (FEMA) at 1-800-621-FEMA (3362). The locations of Disaster Recovery Centers and the loan application process can be obtained by calling the SBA 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. EDT or sending an email to disastercustomerservice@sba.gov.

Massachusetts residents affected by this disaster may fill out a loan application online by visiting SBA's secure Web site at <https://disasterloan.sba.gov/ela/>.

The filing deadline to return applications for physical property damage is **May 28, 2010**. The deadline to return economic injury applications is **December 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.



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

MASSACHUSETTS #12100 & #12101

(Disaster #MA-00025)

For Counties of Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk and Worcester; and for Economic Injury Only contiguous counties of Barnstable, Franklin, Hampden and Hampshire in the Commonwealth of Massachusetts; contiguous counties of Tolland and Windham in the State of Connecticut; contiguous counties of Cheshire, Hillsborough and Rockingham in the State of New Hampshire; and contiguous counties of Bristol, Newport and Providence in the State of Rhode Island.

Severe Storms and Flooding Occurred March 12, 2010 and continuing

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

May 28, 2010

Filing Deadline for applications for Economic Injury:

December 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:

	<u>No Credit Available Elsewhere</u>	<u>Credit Available Elsewhere</u>
Home Loans	2.625%	5.250%
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 at
(800) 659-2955 or disastercustomerservice@sba.gov
www.sba.gov/services/disasterassistance**

Billing Code 8025-01-P

U.S. SMALL BUSINESS ADMINISTRATION

Disaster Declaration #12100 and #12101

MASSACHUSETTS Disaster # MA-00025

AGENCY: U.S. SMALL BUSINESS ADMINISTRATION

ACTION: Notice

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for the State of MASSACHUSETTS (FEMA - 1895 - DR), dated 03/29/2010.

INCIDENT: Severe Storms & Flooding

INCIDENT PERIOD: 03/12/2010 and continuing

EFFECTIVE DATE: 03/29/2010

PHYSICAL LOAN APPLICATION DEADLINE DATE: 05/28/2010

ECONOMIC INJURY (EIDL) LOAN APPLICATION DEADLINE DATE: 12/29/2010

ADDRESSES: Submit completed loan applications to:
U.S. SMALL BUSINESS ADMINISTRATION
PROCESSING AND DISBURSEMENT CENTER
14925 KINGSPORT ROAD
FORT WORTH, TX 76155

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance,
U.S. Small Business Administration, 409 3rd Street, SW, Suite 6050, Washington, DC 20416

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 03/29/2010, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties (Physical Damage and Economic Injury Loans):

BRISTOL	ESSEX	MIDDLESEX
NORFOLK	PLYMOUTH	SUFFOLK
WORCESTER		

Contiguous Counties (Economic Injury Loans Only):

MASSACHUSETTS		
BARNSTABLE	FRANKLIN	HAMPDEN
HAMPSHIRE		
CONNECTICUT		
TOLLAND	WINDHAM	
NEW HAMPSHIRE		
CHESHIRE	HILLSBOROUGH	ROCKINGHAM
RHODE ISLAND		
BRISTOL	NEWPORT	PROVIDENCE

The Interest Rates are:

For Physical Damage:

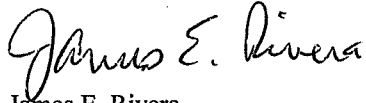
HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE	5.250
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE	2.625
BUSINESSES WITH CREDIT AVAILABLE ELSEWHERE	6.000
BUSINESSES WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000
NON-PROFIT ORGANIZATIONS WITH CREDIT AVAILABLE ELSEWHERE	3.625
NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE	3.000

For Economic Injury:

BUSINESSES & SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000
NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE	3.000

The number assigned to this disaster for physical damage is 121006 and for economic injury is 121010.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)



James E. Rivera
Associate Administrator
for Disaster Assistance