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SBA Provides Disaster Relief to Small Businesses

In the wake of the catastrophic devastation caused by hurricanes Harvey the SBA has coordinated with FEMA to provide disaster assistance to small businesses in affected areas. **Under the "Disaster Loan Program" eligible borrowers may be able to obtain a low interest fixed-rate loan to rebuild their businesses. Under the deferment program, borrowers may defer their loan payments for a period of time while rebuilding their business.**

There are two types of loan programs relevant to business owners:

1) Business Physical Disaster Loan Program

Businesses of any size are eligible for a Physical Disaster Loan from the SBA. A Business Physical Disaster Loan can be used to repair or replace uninsured real property, machinery, equipment, fixtures, inventory, and leasehold improvements that have been damaged or destroyed. For loans used to repair real property or leasehold improvements, the amount of such loans may be increased by up to 20 percent more than the total amount of the damage, so that borrowers may invest in protecting the damaged property against future disasters of the same type.

The law limits Business Physical Disaster loans to \$2,000,000. Subject to this maximum, loan amounts cannot exceed the verified uninsured disaster loss, however, if a business is a major source of employment, the SBA has the authority to waive the \$2,000,000 maximum limit.

2) Economic Injury Disaster Loans

An Economic Injury Disaster Loan ("EIDL") can help a business owner meet their ordinary and necessary financial obligations that it cannot meet as a direct result of the disaster. An EIDL is intended to provide working capital to businesses through the disaster recovery period. Businesses, cooperatives, and most private, non-profit organizations of all sizes can be eligible for an EIDL.

The law limits EIDLs to \$2,000,000; 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.

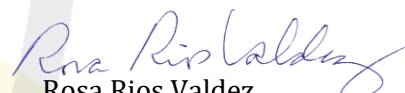
Loan Deferment

As of August 28, 2017, the SBA has announced that it is providing a 12-month deferment of principal and interest payments for SBA-serviced business and disaster loans that were in "regular servicing" status on August 25, 2017, in counties designated as Federal disaster areas impacted by Hurricane Harvey. The SBA will be issuing notices to Borrowers of their automatic deferment status on their monthly payment notices.

The SBA has also authorized and encouraged lenders and certified development companies to offer up to 12 months deferment of principal and interest payments on existing SBA loans for customers located in the Federal disaster-designated counties impacted by Harvey. In addition, borrowers located in contiguous counties and parishes of the disaster areas who have suffered an adverse impact may be eligible for 9 months of deferment.

To apply for SBA disaster loans go to this web site: <https://disasterloan.sba.gov/ela/>

Let us know how we can help you. You can email me directly: rriosval@bcloftexas.org


Rosa Rios Valdez
BCL Chief Executive Officer

BCL Community Impact Fund – Long term loans for Health & Safety facilities / equipment such as medical clinics, fire stations, emergency centers, fire trucks, etc.

BCL has \$3 million available to lend for rebuilding community facilities that are owned by a City, County or non-profits. For towns 20,000 population and smaller. Given the recent disastrous Hurricane Harvey. BCL will only consider essential service facilities critical for health & Safety.

Because this is a loan, the borrower must demonstrate the ability to pay the loan. The interest rate is below 6% and the amortization can be up to 38 years.

BCL is a non profit lender serving rural communities for 27 years.

For assistance with a Community Impact Fund application contact:
David Dinoff, program manager 1-412-912-9884 or ddinoff@bcloftexas.org



Member driven.
Community focused.

Beginning September 15, 2017, the Federal Home Loan Bank of Dallas will accept applications for a special Disaster allocation. The applications will be processed on a first-come, first-served basis.

A FHLB member Bank can sponsor up to 10 businesses for a Small Business Recovery grant.

The Wharton the member banks are First State Bank, Woodforest National Bank and Prosperity Bank. Keep in mind that these banks serve many other flooded towns and sponsorship requests may be ahead of yours.

Small Business Recovery Grant

Up to \$2 million is available to aid small businesses in their communities with Hurricane Harvey recovery efforts. The grants are available for small business owners as defined by the Small Business Administration (SBA) that are in counties that have been designated for Individual Assistance by FEMA. The funds are intended to assist with reasonable and necessary expenses to repair or rebuild the business that are not otherwise covered by insurance or other reimbursement.

- What is the maximum Small Business Recovery grant amount available per member?
 - *Aggregate SBA grants per member may not exceed \$150,000*
- How long will this program be available?
 - *Until the funds are exhausted*
- Eligibility Criteria
 - Small businesses that have been damaged or destroyed by Hurricane Harvey, or subsequent flooding, and are located in FEMA-declared disaster areas in Texas
 - Businesses that qualify as small businesses as defined by the SBA
 - Small businesses located in areas that are less than or equal to 120 percent of AMI
<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>
- Use of Funds Examples
 - Building rehabilitation/repair
 - Machinery and equipment repair/purchase
 - Replacement of lost inventory

- Working capital
- Grant Limit Per Small Business
 - The maximum grant per small business is \$15,000
- Order of Grant Disbursement
 - First-come, first-served until funds are exhausted
- What paperwork is needed?
 - A member must complete a written application to apply for a Small Business Recovery grant. The application is available at fhlb.com/communityadvances
 - Small Business Recovery grant application. Provide the following information as part of the application:
 - An overview of the small business (including a brief summary of the business conducted, information about its products and/or services and the market it serves)
 - Explanation of how the small business will use the grant
 - Brief description of the business' recovery plan
 - Census Tract demographic data
 - Photo of the damage, if available

CONTACT Rosa Rios Valdez email: rriosval@bcloftexas.org

BCL of Texas for assistance in preparing and submitting a grant with a FHLB member bank.

The Federal Home Loan Bank has allocated \$225,000 Disaster Funds for 501 c(3) organizations that are assisting with Community Recovery.

Community Recovery Grant

The Community Base Organizations must be located in FEMA-designated disaster areas and assisting in Hurricane Harvey relief efforts. The CBOs may use the funds toward operational needs in conjunction with the relief efforts.

- Which member institutions are eligible for grants?
 - *CBO's must be sponsored by FHLB Member Banks*
- What is the maximum Community Recovery grant amount available per member?
 - Aggregate Community Recovery grants per member may not exceed \$30,000
- Eligibility Criteria
 - CBO must have a 501(c)(3) IRS designation
 - CBO must be assisting in recovery efforts from Hurricane Harvey
 - CBO must be involved in affordable housing, stimulating small business or providing small business technical assistance
- Grant Limit Per CBO
 - The maximum grant per CBO is \$10,000
- Order of Grant Disbursement
 - First-come, first-served until the funds are exhausted
- What Paperwork is Needed?
 - A member must complete a written application to apply for a grant. The application is available on fhlb.com/communityadvances