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To: Joel Louriejoellourie@gmail.com
Beth Bersteinbeth@bblawsc.com
CC: Catherine Heigelheigelce@dhec.sc.gov
Pisarik, HollyHollyPisarik@gov.sc.gov
Date: 10/22/2015 6:31:53 PM
Subject: Fwd: Small Business Administration Answer
Attachments: SC 14495 ENGLISH FACT SHEET.PDF
ATT00001.htm

Please reference the SBA follow ups below. I will follow with you tomorrow.

Thank you,
Katherine
8037677583

Begin forwarded message:

From: "Woodard, James" <James.Woodard@fema.dhs.gov>
Date: October 22, 2015 at 6:22:47 PM EDT
To: "Katherineveldran@gov.sc.gov" <Katherineveldran@gov.sc.gov>
Cc: "Moore, Mike (FCO)" <Mike.Moore@fema.dhs.gov>, "Vick, Hannah" <Hannah.Vick@fema.dhs.gov>
Subject: Small Business Administration Answer

Katherine, During the discussion today several questions were raised about SBA loans. The information below covers those specific points and for further detail I have attached the SBA fact sheet. As to the question about the use of HMGP funds for the repair or the bringing an existing dam (privately owned, owned by a business or by a residential association) to appropriate standards. I ask that you permit me until tomorrow to compile the response.

In answer to the Small Business Administration questions presented by the State of South Carolina this afternoon:

Question: Will the Small Business Administration (SBA) fund loans for the repair of privately owned dams? The highlighted text below is specific to the question. The short answer is: yes. The information below is provided by Matthew Young, Public Affairs Specialist, Field Operations Center East.

Question: Are the SBA loans secured or collateralized? What are the terms? Attached is the SBA Fact Sheet for your review. Excerpts are included here.

Credit Requirements:

Credit History – Applicants must have a credit history acceptable to SBA.

Repayment - Applicants must show the ability to repay the loan.

Collateral – Collateral is required for physical loss loans over \$25,000 (and all Economic Injury

Disaster 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 the applicant to pledge what is available.

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.

Please see the attached SBA Fact Sheet for amplification, conditions and requirements.

Generally speaking, dams that are privately owned by businesses, including homeowner associations and/or individuals may have eligibility toward repair of a dam or levee.

An association is generally eligible to apply for damages to the areas the association is responsible to repair (such as parking areas, sidewalks, driveways, grounds, pools, etc.), as described in the association's governing documents and state law. SBA Disaster Loan Applications for Associations are classified as business loans (usually as non-profit organizations), unless specified otherwise by their articles of association. Basic eligibility considerations rest with those who owned or had a responsibility to repair the damaged property at the time of the disaster. Debris removal can be included in the loan.

Businesses and private nonprofit organizations, such as homeowner associations may borrow up to \$2 million to repair or replace disaster damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. Disaster loans up to \$200,000 are available to homeowners to repair or replace disaster damaged or destroyed real estate. Interest rates are as low as 4 percent for businesses, 2.625 percent for nonprofit organizations, and 1.875 percent for homeowners with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant's financial condition. Subject to these maximums, loan amounts cannot exceed the SBA verified uninsured disaster loss. SBA is not permitted to duplicate benefits from other sources including insurance recoveries and federal, state and local grant programs. The SBA may increase a loan up to 20 percent of the total amount of disaster damage to real estate and/or leasehold improvements, as verified by the SBA, to make improvements that lessen the risk of property damage by future disasters of the same kind.

To be considered for all forms of disaster assistance, applicants should register with FEMA online at www.DisasterAssistance.gov or by mobile device at m.fema.gov. 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 (800-462-7585 TTY).

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

Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an email to disastercustomerservice@sba.gov. Loan applications can be downloaded from www.sba.gov/disaster. Completed applications can be returned to a recovery center or 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 **Dec. 4, 2015**.

Best Regards,

Matthew Young, Public Affairs Specialist

U.S. Small Business Administration

Office of Disaster Assistance - Field Operations Center East

101 Marietta Street, NW, Suite 700

Atlanta, Georgia 30303

T: 404-331-0333 Ext. 2185 Cell: 404-909-0662

"Federal Disaster Loans for Businesses of All Sizes, Homeowners and Renters"

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Jim Woodard, AEAO

Intergovernmental Affairs

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