



READY & *Resilient*

A WEBINAR SERIES

KNOW YOUR RECOVERY OPTIONS

FEATURING JEDCO, THE SMALL BUSINESS ADMINISTRATION &
LOUISIANA SMALL BUSINESS DEVELOPMENT COUNCIL





Ready and Resilient: Know Your Options



Jennifer Lapeyrouse
Finance Director

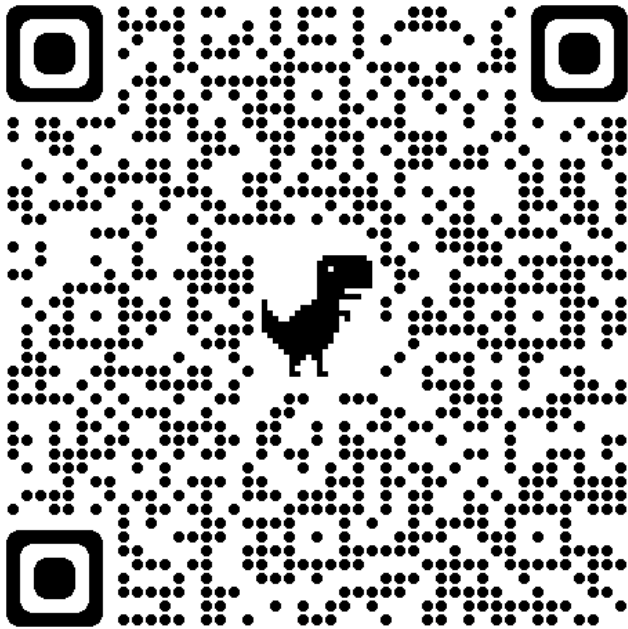
Ready and Resilient: Know Your Options



Natural disasters can end small businesses.

Studies show that more than 40% of small businesses close permanently after a disaster. Among the businesses that reopen, another 25% fail within a year.

Ready and Resilient: Know Your Options

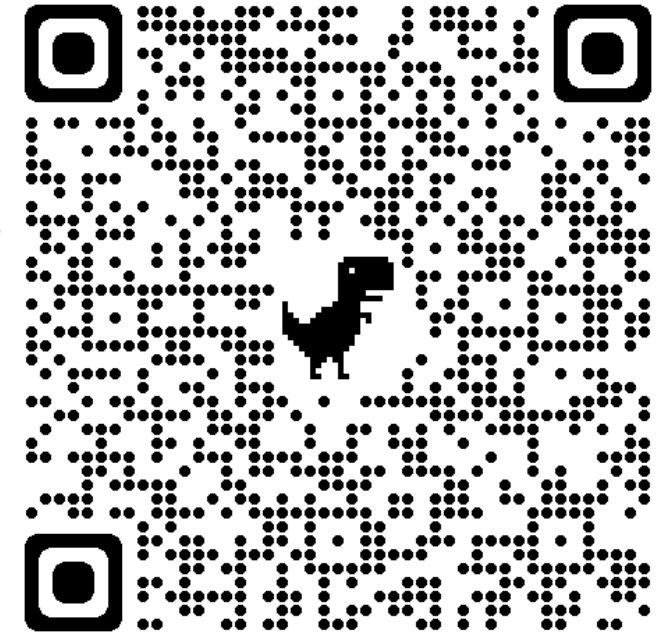
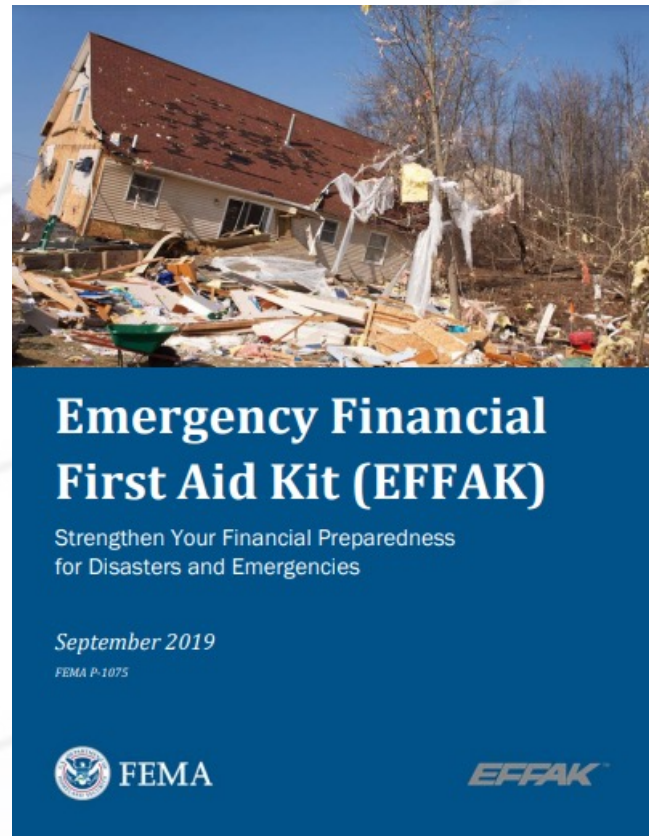


The FEMA
Ready Business
Hurricane
Toolkit.

Develop a
preparedness
program for your
small business

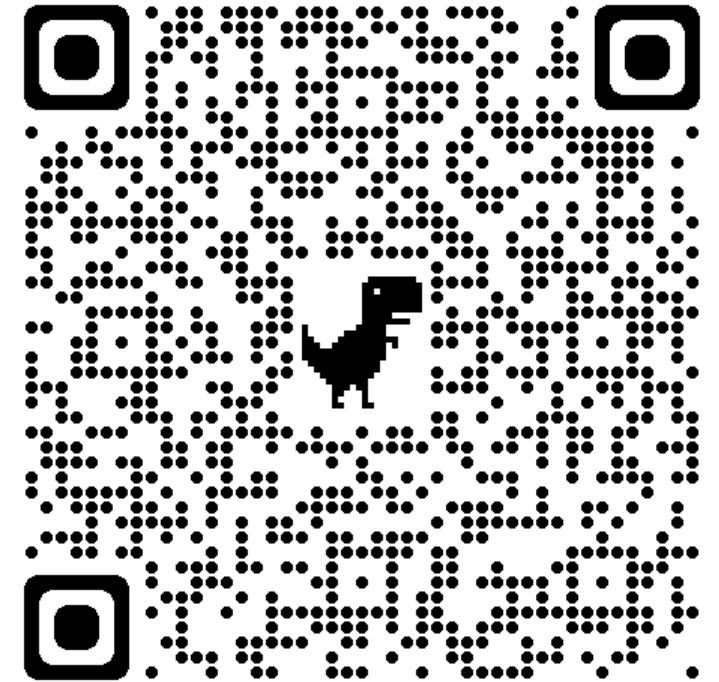
GATHER YOUR DOCUMENTS

- ✓ Identification
- ✓ Household
- ✓ Legal
- ✓ Financial
- ✓ Medical

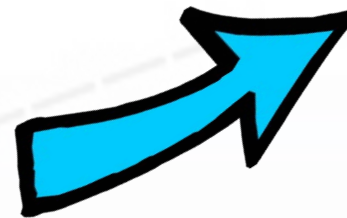


GATHER YOUR LOAN DOCUMENTS

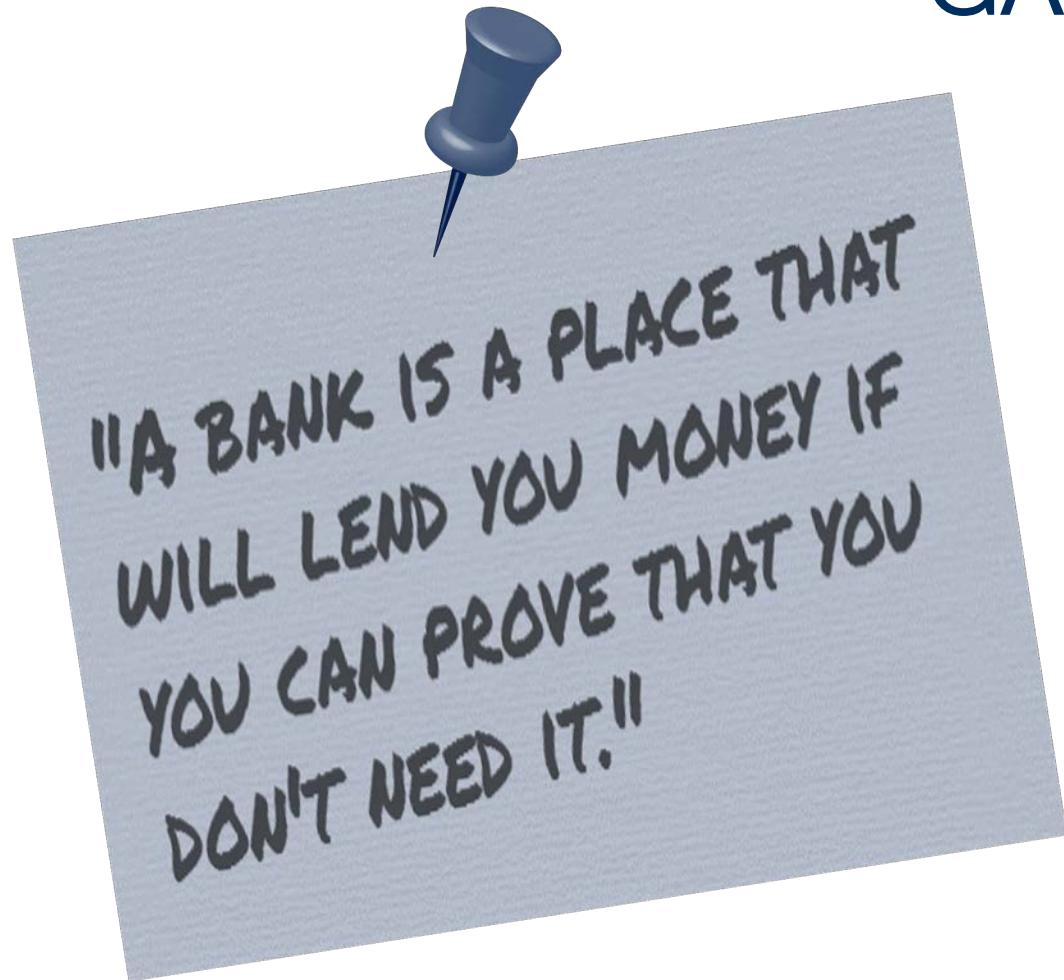
- ✓ 2 years personal tax returns
- ✓ 2 years business tax returns
- ✓ 2022 interim financial statements:
balance sheet and income statement
- ✓ personal financial statement: SBA Form 413



Get SBA Form
413 Here



GATHER YOUR LINES OF CREDIT



- ✓ Apply for a Line of Credit NOW
- ✓ Apply for a Business Credit Card NOW
- ✗ Online Lenders
- ✓ Local Brick and Mortar Lenders



Louisiana Small Business Development Center

Greater New Orleans & River Region

Carmen Sunda, Director

csunda@louisianasbdc.org

504-202-6752

Could You Survive a Disaster?

Scenario:

Your business location has been destroyed. You didn't get anything out and you can't go back in. Consider these questions. The reason doesn't matter.

- **How long would it take to replace your building, find or move to a new location, replace your critical equipment and reopen?**
- **With your location destroyed, your income stopped, how long could you survive with the funds you have now, including the time it would take to reopen?**
- **Do you know what insurance(s) you have, is it/are they enough to restart your business and how long would it take you to get those funds?**

Could you Survive a Disaster

- **Do you have pictures of your current facility, a complete inventory of equipment and copies of your insurance policies stored (off site/backed up/in the cloud) to facilitate your claim for damages?**
- **Do you have the names and contact information for the parties needed to rebuild your facility, replace your equipment and restart your business?**
- **Do you have a way to inform your customers and others who need to know what happened, and what do you tell them?**
- **What legal documents, vital records and special forms do you need to operate your business, and how soon could you replace them if destroyed?**

Could you Survive a Disaster

- **Is your data backed up and/or stored in the cloud? Can you easily access your data? If computer equipment was destroyed, how quickly can you secure equipment to access your data?**
- **Do you have a written plan for how to recover from this or other disasters?**
- **Who are you going to call?**
- **SBDC can help!**



- **The Small Business Development Center is a business consulting and assistance provider. SBDC assists with challenges, opportunities and growth. All services are provided at no charge.**
- **17 years of disaster response and recovery experience with expertise in Federal and State financial recovery programs and assistance. Partners closely with SBA Disaster Assistance.**
- **Expertise includes disaster preparedness, business resiliency, sustainability planning, and business recovery strategies.**



- **SBDC consultants are skilled in identifying sources of financing (recovery and growth), developing loan packages, and funding proposals. SBDC understands required documentation for financing.**
- **SBDC is focused on strategies to adapt, thrive and recover from business impacts.**
- **Consulting by appointment. Training on a wide variety of business topics.**
- **Assess to business resources and programs.**



- LSBDC GNOR is funded by the SBA, Louisiana Economic Development and Xavier University of Louisiana.
- LSBDC GNOR has been operating in the Region for over 36 years.
- ALL SERVICES ARE PROVIDED AT NO CHARGE.
- Contact us at lsbdc.gnor@louisianasbdc.org or 504-831-3730.
- Request consulting services - www.louisianasbdc.org



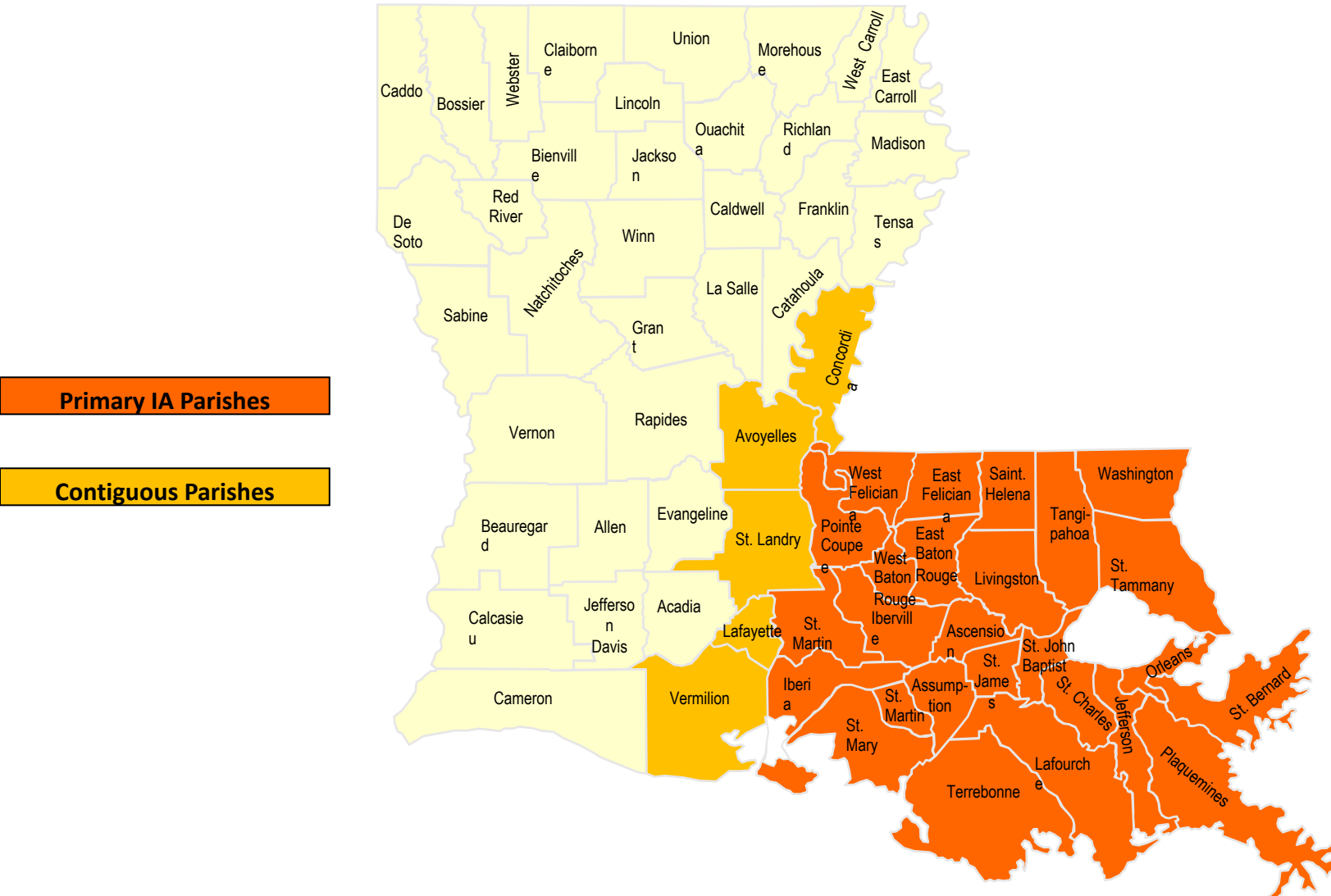


U.S. Small Business
Administration

DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

Declaration Map



- Presidential Declaration

Individual Assistance –

Includes all SBA loan programs to residents and businesses in declared parishes/tribal nations

Public Assistance –

Includes SBA loans to certain private nonprofits of a governmental nature declared parishes/tribal nations

SBA's Role in Disaster Recovery for Federal Disaster Declarations

- SBA disaster loans are the primary source of federal assistance to help private property owners pay for disaster losses not covered by insurance or other recoveries.
- SBA offers low-interest federal loans to businesses of all sizes, private nonprofit organizations, homeowners and renters.



SBA Administrator
Isabella Casillas Guzman

Federal Role of SBA Loans in Long-Term Recovery

- Disaster losses are unexpected and create a financial hardship for businesses and residents.
- By providing affordable disaster assistance in the form of loans, SBA helps reduce federal disaster costs compared to other forms of assistance, such as grants, CDBG-DR funding, or HUD assistance.
- These loans require borrowers to maintain appropriate hazard and flood insurance, reducing the need for future federal assistance.
- SBA's disaster loans are a critical source of economic stimulus in disaster-ravaged communities and help spur employment and stabilize tax bases for local governments.

Making Recovery Affordable

The Small Business Act and additional disaster laws provide SBA tools to make disaster loans affordable:

- Low-interest (below market) rates -set quarterly
- Affordable long terms (either 15 or 30 years)
- Payments are based on borrower's ability to pay
- In certain circumstances, borrowers may be able to refinance existing liens or mortgages, or may use an SBA loan to relocate (cases have specific criteria and limits)

(NOTE: Loan amounts and terms are set by SBA and based on each applicant's financial condition)

Loan Eligibility Restrictions

- Only uncompensated losses (disaster losses not compensated by insurance or other recoveries such as FEMA grants, reimbursement by another party, settlement of a lawsuit, etc.) are eligible.
- Applicants are **not** eligible if they have not complied with the terms of previous SBA loan agreements or other Federal obligations (e.g., failure to maintain required insurance, court-ordered child support, student loans, or Federal Income Tax filing requirements).

Has your **home or business** been damaged or destroyed by a declared federal disaster? You may be eligible for a disaster assistance loan from the U.S. Small Business Administration (SBA) to help you recover. These low-interest loans are available to businesses of all sizes, private nonprofit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property.



Additional Facts About Applying

Loans may be used for insurance deductibles and required building code upgrades not covered by insurance or for relocation. It is not necessary to submit the description of upgrades and cost estimates with the application. We may refer you to FEMA's Other Needs Assistance program if you are denied an SBA disaster assistance loan.

Consider Mitigation Improvements

You can rebuild stronger by increasing your SBA disaster assistance loan up to 20 percent of the amount of the verified physical damage to make mitigation improvements. Generally, you have two years after loan approval to request an increase for higher building costs, code-related upgrades or mitigation measures. The SBA must approve the mitigation measures before any loan increase.

For more information or to find a local disaster center, contact SBA's Customer Service Center at 1-800-659-2955 (TTY: 1-800-877-8339).



All SBA programs and services are extended to the public on a nondiscriminatory basis.
(08/2021)



Three Steps to SBA Disaster Assistance Loans





Three Steps to SBA Disaster Assistance Loans



1: Loan Application



Begin the application process for Presidentially declared disasters by first registering with FEMA at www.DisasterAssistance.gov, or call 800-621-FEMA (3362) or 800-462-7585 (TTY).

Then apply online at www.DisasterLoanAssistance.sba.gov/ela, in person at any local disaster center or call our Customer Service Center at (800) 659-2955 or TTY (800) 887-8339 to request an application by mail.

Apply as soon as possible, even if you do not know how much money will be needed. There is no need to wait for insurance claims to settle, or to receive FEMA grants or contractor estimates.

Loans can be made while your insurance recovery is pending. You are under no obligation to accept the loan if you are approved.

2: Application Process



Your application package (including credit and income information) and required documents are reviewed for completeness. Eligible applications are then sent to SBA's loss verification team for review, and an initial determination of total physical damage is made.

If necessary, an SBA verifier will arrange for an in-person property inspection.

An SBA loan officer will take over your case and work with you to receive any additional information needed to make a loan determination. Insurance or other recoveries are reviewed, the loan officer will provide a recommended loan amount, and advise next steps.

We strive to make loan determinations within 2 - 3 weeks after receiving your complete application packages.

3: Loan Closure & Disbursement



Loan closing documents are prepared for your signature. Upon return of the signed documents, an initial disbursement will be made within 5 business days up to the following amounts: physical damage - \$25,000; economic injury (working capital) - \$25,000 which can be in addition to the physical damage disbursement for eligible businesses.

An assigned case manager will work with you to answer questions and help you meet all loan conditions. He/she will schedule the subsequent disbursements of any remaining loan amount. Your loan may be adjusted (up or down) after closing due to changing circumstances, such as unexpected repair costs or if you receive additional insurance proceeds for the same purposes.

Compare the various disaster assistance loans in the following chart to select the one that fits your situation.

	BUSINESSES & NONPROFITS	HOMEOWNERS & RENTERS
Physical Damage Disaster Loans	Repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. Loans up to \$2 million.	Homeowners may use loan proceeds to repair or replace a primary residence to its pre-disaster condition. Loans up to \$200,000.
Damaged Personal Property Loans	N/A	Homeowners or renters may use loan proceeds to repair or replace furniture, appliances, vehicles, and/or other personal property. Loans up to \$40,000.
Maximum Loan Amount	The maximum loan for any combination of property damage and/or economic injury is \$2 million.	The maximum loan for any combination of real and personal property damage, voluntary mitigation measures, refinancing, and contractor malfeasance (wrongdoing or misconduct) is \$840,000.
Can Loans Be Used to Mitigate Against Future Damage?	Yes; loans can be increased by up to 20 percent of verified physical damages to add approved mitigation measures.	Yes; loans can be increased by up to 20 percent of verified physical damages to add approved mitigation measures to a homeowner's primary residence.
Interest Rates	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit http://www.disasterloanassistance.sba.gov/ela for current interest rates	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit http://www.disasterloanassistance.sba.gov/ela for current interest rates.
Maximum Loan Term	Up to 30 years based upon repayment ability and SBA policy. There are no prepayment penalties.	Up to 30 years based upon repayment ability and SBA policy. There are no prepayment penalties.

For required documents, go to <https://disasterloanassistance.sba.gov/ela/s/article/Paper-Forms>

Additional Facts About Applying

Loans may be used for insurance deductibles and required building code upgrades not covered by insurance or for relocation. It is not necessary to submit the description of upgrades and cost estimates with the application. We may refer you to FEMA's Other Needs Assistance program if you are denied an SBA disaster assistance loan.

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DISASTER ASSISTANCE
Businesses ■ Homeowners ■ Renters ■ Nonprofits

All SBA programs and services are extended to the public on a nondiscriminatory basis.
(08/2021)

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.

The Importance of partnering with SBA

SBA partners with a wide range of federal and local agencies to assist communities' economic recovery following disasters.

These partnerships:

- Provide small businesses with important information on federal financial resources to rebuild and have access to working capital after a declared disaster.
- Serve as vital partners in promoting preparedness and disaster mitigation.



Role of SBA Resource Partners

Consulting provided by SBA's Resource Partners is a vital form of disaster assistance and helps businesses:

- Successfully stay in operation.
- Develop operational, financial and marketing plans.
- Consider alternative sources of revenue.
- Identify ways to reduce costs.
- Update management and technical services.



**Women's
Business Centers**



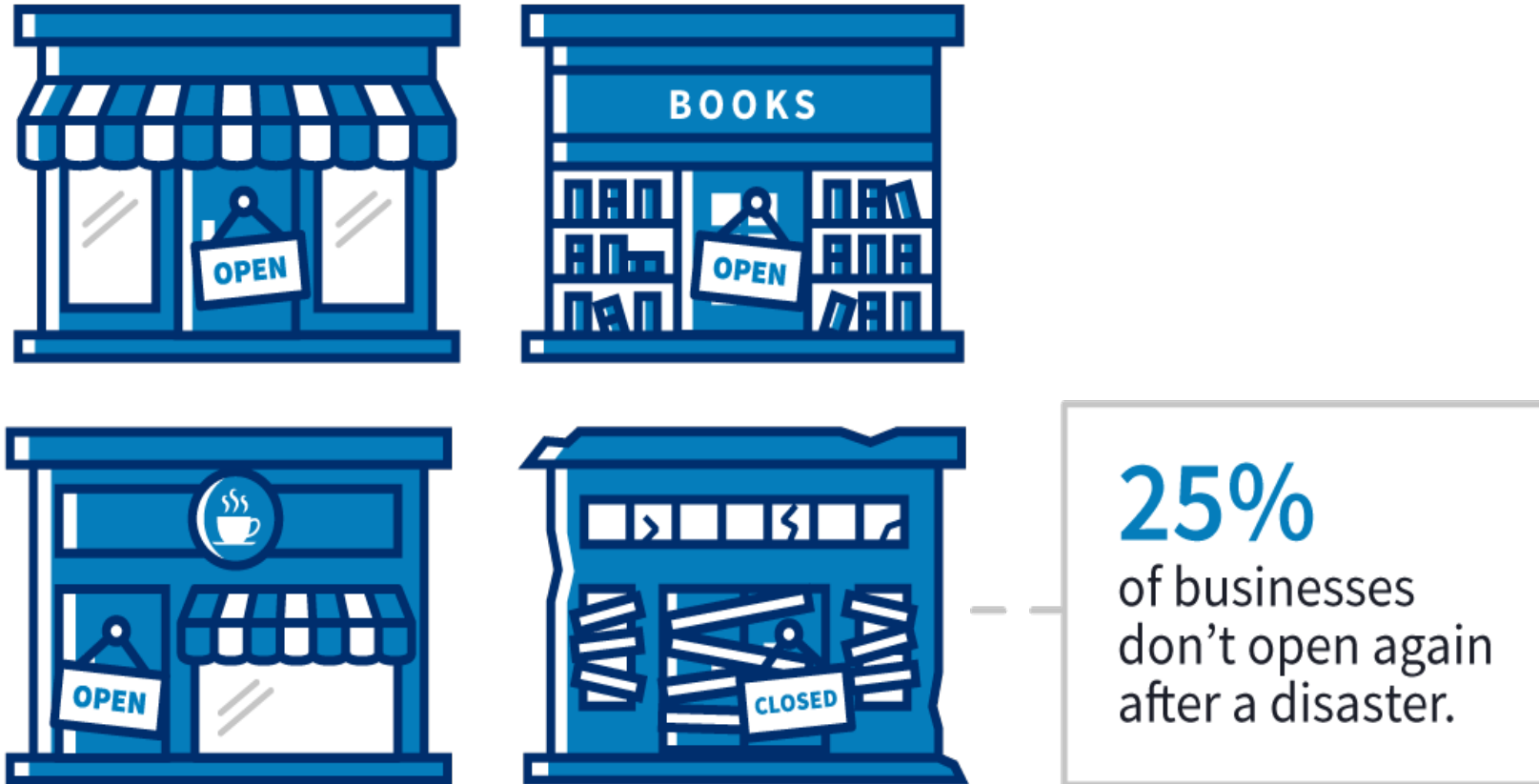
Counselors Work Together with SBA to Assist Applicants

SBA refers declined business applicants to

SBDC Business Counselors

- When SBA is unable to approve a business loan application due to lack of repayment, unsatisfactory credit history or insufficient information, SBA directs the applicant to a Small Business Development Center (SBDC) as a resource for other help and support.
- SBA's decline letter includes an SBDC referral.
- SBA offers applicants who are declined 6 months to request reconsideration for a disaster loan. SBDC Counselors can assist applicants when they request reconsideration.
- SBDCs can guide applicants to other resources that may be available. Counseling services are generally free of charge.

Small Business Losses in Disaster



Source: Insurance Institute for
Business and Home Safety

Stay Connected

SBA Links & Contacts



Subscribe to SBA's e-newsletter: www.sba.gov/updates



Follow SBA on Twitter: [@SBAgov](https://twitter.com/SBAgov)



Follow on Instagram: www.instagram.com/sbagov/



Email: disastercustomerservice@sba.gov



Call: (800) 659-2955



www.sba.gov/relief - all economic aid options

www.sba.gov/ppp - Paycheck Protection Program

www.sba.gov/eidl - Economic Injury Disaster Loan & Payment

www.sba.gov/svgrant - Shuttered Venue Operators Grant

www.sba.gov/rrf - Restaurant Revitalization Fund



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U.S. Small Business
Administration

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

LOUISIANA Declaration #17121 & #17122

(Disaster: LA-00115)

Incident: HURRICANE IDA

occurring: August 26 through September 3, 2021

in the Louisiana parishes of: **Ascension, Assumption, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. Martin, St. Mary, St. Tammany, St. John the Baptist, Tangipahoa, Terrebonne, Washington, West Baton Rouge & West Feliciana;**

for economic injury only in the contiguous Louisiana parishes of: **Avoyelles, Concordia, Lafayette, St. Landry & Vermilion;**

and for economic injury only in the contiguous Mississippi counties of: **Amite, Hancock, Marion, Pearl River, Pike, Walthall & Wilkinson**

Application Filing Deadlines:

Physical Damage: November 29, 2021

Economic Injury: May 31, 2022

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	1.563%	3.125%
Business Loans	2.855%	5.710%
Non-Profit Organizations	2.000%	2.000%

Economic Injury Loans

Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Businesses & Small Agricultural Cooperatives	2.855%	N/A
Non-Profit Organizations	2.000%	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://disasterloanassistance.sba.gov/>. 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.