October 14, 2020

Memorandum #1020-14

TO: Parties who Sustained Damage or Economic Injury from Tropical Storm Isaias

BY: Michael W. Johnson, County Administrator

RE: Disaster Assistance Available from the U.S. Small Business Administration

On October 8, 2020, the U.S. Small Business Administration (SBA) announced that disaster assistance is available to businesses and residents of Southampton County that were affected by Tropical Storm Isaias on August 2nd.

The SBA is making low-interest federal disaster loans available to assist businesses of all sizes, homeowners or renters. Enclosed herewith, please find a copy of their announcement along with other information related to their Disaster Loan program.

If this is something that might assist with your recovery and/or get your business back up and running, I encourage you to contact their outreach center at 1-800-659-2955 between the hours of 8:00 a.m. and 8:00 p.m.

The filing deadline to return applications for physical property damage is December 7, 2020 and the deadline to return economic injury applications is July 7, 2021.

On behalf of the Board of Supervisors, please accept our condolences for the damages that you’ve sustained and best wishes for a full recovery.
SBA Offers Disaster Assistance to Businesses and Residents of Virginia Affected by Tropical Storm Isaias

WASHINGTON — Virginia businesses and residents affected by Tropical Storm Isaias on Aug. 3 - 5, 2020, can apply for low-interest disaster loans from the U.S. Small Business Administration, Administrator Jovita Carranza announced today.

Administrator Carranza made the loans available in response to a letter from Virginia Gov. Ralph Northam on Oct. 5, requesting a disaster declaration by the SBA. The declaration covers Suffolk City and the adjacent counties and independent cities of Chesapeake City, Isle of Wight, Portsmouth City and Southampton in Virginia; and the counties of Camden and Gates in North Carolina.

“The SBA is strongly committed to providing the people of Virginia with the most effective and customer-focused response possible to assist businesses of all sizes, homeowners and renters with federal disaster loans,” said Carranza. “Getting businesses and communities up and running after a disaster is our highest priority at SBA.”

In accordance with health precautions for COVID-19, the SBA will not establish a field presence to assist survivors. However, the SBA will continue to provide customer service and conduct outreach virtually with webinars, skype calls, phone assistance and step-by-step application assistance. The SBA has opened a Virtual Disaster Loan Outreach Center to help survivors apply online using the Electronic Loan Application via the SBA’s secure website at https://DisasterLoanAssistance.sba.gov/. Virtual customer support representatives are available to help applicants complete the online application during these hours:

Virtual Disaster Loan Outreach Center (VDLOC)
Open: Daily
Hours: 8 a.m. – 8 p.m. EDT
Email: FOCE-Help@sba.gov
Phone: (800) 659-2955

Survivors should contact the SBA’s Disaster Customer Service Center at (800) 659-2955 for assistance in completing their loan 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 those affected by the disaster have an opportunity to apply for assistance.

“Businesses and private nonprofit organizations may borrow up to $2 million to repair or replace disaster damaged or destroyed real estate, machinery and equipment, inventory, and other business assets,” said SBA’s Virginia District Director Carl Knoblock.

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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.

“Loans up to $200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible for loans up to $40,000 to repair or replace damaged or destroyed personal property,” said Michael Lampton, acting center director of SBA’s Field Operations Center East in Atlanta.

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.

Interest rates are as low as 3 percent for businesses, 2.75 percent for nonprofit organizations, and 1.188 percent for homeowners and renters with terms up to 30 years. Loan amount 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/.

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 Dec. 7, 2020. The deadline to return economic injury applications is July 7, 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.
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:

<table>
<thead>
<tr>
<th>Loan Types</th>
<th>No Credit Available Elsewhere</th>
<th>Credit Available Elsewhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Loans</td>
<td>1.188%</td>
<td>2.375%</td>
</tr>
<tr>
<td>Business Loans</td>
<td>3.000%</td>
<td>6.000%</td>
</tr>
<tr>
<td>Non-Profit Organizations</td>
<td>2.750%</td>
<td>2.750%</td>
</tr>
</tbody>
</table>

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<tr>
<th>Loan Types</th>
<th>No Credit Available Elsewhere</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Businesses &amp; Small Agricultural Cooperatives</td>
<td>3.000%</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-Profit Organizations</td>
<td>2.750%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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/eida. 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.
Impacted by Tropical Storm Isaias?

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 1.188% 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)

FIRST STEP: Apply online with SBA at: https://DisasterLoanAssistance.sba.gov/

For one-on-one assistance with applying call: (800) 659-2955

Open: Monday – Sunday (7 days/week), 8 a.m. – 8 p.m.

Email questions to: FOCE-Help@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.

VA SBA Agency Declaration #16696 Physical Deadline is December 7, 2020

10/8/2020