

CHECKLIST FOR INDIVIDUALS, BUSINESSES & NONPROFITS APPLYING FOR SMALL BUSINESS ADMINISTRATION (SBA) ASSISTANCE

Before Filing a Loan Application with SBA

SBA loans are intended to supplement any other aid available to you or your organization. Prior to filing a loan application with SBA, you will need to:

1. File a Claim with your Insurance Company – SBA can still make a loan while insurance recovery is pending.
2. File a Claim with FEMA – SBA and FEMA funds cannot be used to double-recover. Organizations should check their eligibility for FEMA assistance.

Determine Which Loan(s) You or Your Business will be Eligible For

See comparison chart attached.

SBA Loan Application

1. Apply for the Loan
 - Apply on-line (<https://disasterloanassistance.sba.gov/>), in-person at the disaster recovery center in Kihei, by U.S mail or at designated shelters.
 - Have the following information ready:
 - Applicant contact information;
 - Applicant social security number (individuals) or EIN (organizations);
 - FEMA registration and assistance received;
 - Property information (type, address, rent/mortgage, landlord/creditors, taxes);
 - Insurance information (policy types, numbers, company, payments); and
 - Financial information (income, account balances, monthly expenses).
2. Provide information to SBA to determine credit eligibility and loan size. SBA disaster loans to a business and its affiliates are capped \$2 Million, which SBA may waive for businesses that are a major source of employment. SBA will need the following documents and information related to credit history, ability to repay, and damages:
 - Estimate of Damages;
 - Tax Returns (if available) and/or authorization for SBA to receive tax returns (see IRS Form 4506C at <https://www.irs.gov/pub/irs-pdf/f4506c.pdf>);
 - Monthly income for the past three years; and
 - Proof of insurance, pending claims, denials of coverage, and insurance proceeds.
3. SBA loan processing (est. 4 weeks). SBA will provide all loan decisions in writing. The SBA loan officer must verify all information given, including by:
 - Inspecting the property to verify and estimate losses;
 - Reviewing all pending insurance claims, proceeds, and denials; and
 - Requesting additional information

Loan Closing and Disbursing Funds

1. SBA will send the prepared loan closing documents for your signature. Review the documents closely before signing, and ask questions if you do not understand the terms or conditions.
2. SBA will make the following initial disbursements within 5 days of receiving the loan closing documents:
 - \$25,000 for physical damage; and
 - \$25,000 for economic injury

To have loan funds deposited directly to a checking account, you will need to complete a Request an Electronic Fund Transfer (EFT) of SBA Disaster Loan Funds as part of the application process.

3. Subsequent disbursements will be scheduled by the case manager until the total of the full amount is received.
4. Work with the case manager to meet all the terms and conditions of the loan.
5. Notify the case manager of changes in circumstance that might require loan adjustment, such as:
 - If you receive additional monies from the insurance company; or
 - If you discover additional unexpected costs associated with repairing your property.

This checklist was prepared using information voluntarily contributed by the following law firms who are members of the Employment Law Alliance: Baker Donelson Bearman Caldwell & Berkowitz (Louisiana); Dinsmore & Shohl LLP (Ohio); Gray Robinson, P.A. (Florida); Gunster (Florida); Ice Miller LLP (Indiana); Lathrop GPM LLP (Missouri); Lewis Roca (Arizona); Pizarro & Gonzalez (Puerto Rico); Reed Smith (Virginia).

This document has been provided for informational purposes only and is not intended and should not be construed to constitute legal advice. Please consult an attorney if you have specific legal issues.

	PHYSICAL DAMAGE LOANS For Home & Personal Property	PHYSICAL DAMAGE LOANS For Nonprofits & Businesses	MITIGATION ASSISTANCE	ECONOMIC INJURY DISASTER LOANS
Who is eligible?	Homeowners and renters <u>who live in declared disaster area</u> who have experienced damage to home or personal property	<ul style="list-style-type: none"> • Businesses located in a declared disaster that have been damaged • Nonprofit organizations 	<ul style="list-style-type: none"> • Homeowners impacted by declared disaster • Small businesses impacted by declared disaster 	Small businesses, small agricultural cooperatives & most private nonprofit organizations: (1) located in declared disaster area; and (2) suffered substantial economic injury (i.e. cannot pay ordinary, necessary operating expenses)
Deadline to file	October 10, 2023	October 10, 2023		May 10, 2024
Amount of loan?	<ul style="list-style-type: none"> • Homeowners may apply for up to \$500,000 to replace or repair their primary residence • Homeowners & renters may borrow up to \$100,000 to replace or repair personal property (clothing, furniture, cars & appliances) damaged or destroyed in disaster • You may be eligible for up to 20% loan amount increase above damage for improvements to prevent risk of future property damage from fire (see Mitigation Assistance) • SBA can refinance previous mortgage in some cases (check with SBA) 	<ul style="list-style-type: none"> • Up to \$2 million to qualified businesses and private nonprofit organizations to cover repair or replacement of: <ul style="list-style-type: none"> ○ Real property ○ Machinery ○ Equipment ○ Fixtures ○ Inventory ○ Leasehold improvements 	<ul style="list-style-type: none"> • Increases physical damage loans by up to 20% to help you with improvements that will prevent risk of future property damage from disaster – for example: <ul style="list-style-type: none"> ○ Install Class A fire-rated roof ○ Install 1/8” mesh screening over vents to keep embers out ○ Install non-combustible gutters, fences, and gates ○ Remove roof & gutter debris ○ Replace single-pane windows with dual-or multi-pane tempered glass windows 	<ul style="list-style-type: none"> • UP to \$2 million to help meet financial obligations & operating expenses that could have been met had disaster not occurred (e.g. working capital, health care benefits, rent, utilities, fixed debt payments) • Loan amount based on actual economic injury & company’s financial needs, regardless of whether property damage suffered • A business c n qualify for both an EIDL loan and a Physical Disaster Loan, but the max combined loan amount is \$2 million

	PHYSICAL DAMAGE LOANS For Home & Personal Property	PHYSICAL DAMAGE LOANS For Nonprofits & Businesses	MITIGATION ASSISTANCE	ECONOMIC INJURY DISASTER LOANS
Restrictions on use of loan money	<ul style="list-style-type: none"> • <i>Loan covers losses not fully covered by insurance or other sources (insurance coverage will be deducted from SBA loan amount)</i> • <i>You cannot use funds to upgrade homes or make additions, unless required by building code</i> 	<ul style="list-style-type: none"> • <i>Loans cover disaster losses not fully covered by insurance or other sources (insurance coverage will be deducted from SBA loan amount)</i> • <i>Loan funds may not be used to upgrade or expand business, except as required by building code if you apply and qualify for Mitigation Assistance</i> 		<ul style="list-style-type: none"> • <i>Only available to small businesses when SBA determines business cannot get credit elsewhere</i>
Terms of loan	<ul style="list-style-type: none"> • Loan maturity up to 30 years • No prepayment penalty • Collateral required for loans over \$25,000 • First payment deferred 12 months • No interest accrued for first 12 months • Interest rates: <ul style="list-style-type: none"> ○ Applicants who cannot get credit elsewhere - max 4% 	<ul style="list-style-type: none"> • Loan maturity up to 30 years • No prepayment penalty • Collateral required for loans over \$25,000 • Interest rates: <ul style="list-style-type: none"> ○ Applicants who cannot get credit elsewhere - max 4% ○ Applicants who can get credit elsewhere – max 8% interest ○ All nonprofit applicants – 2.375% interest 	<ul style="list-style-type: none"> • SBA must approve the mitigation measures before any loan increase is made • No cost to apply • No obligation to accept loan for disaster mitigation assistance if you are approved for the loan increase 	<ul style="list-style-type: none"> • Loan maturity up to 30 years • No prepayment penalty • Collateral required for loans over \$25,000 • First payment deferred 12 months • No interest accrued for first 12 months • Interest rates: <ul style="list-style-type: none"> ○ Applicants who cannot get credit elsewhere - max 4% ○ Nonprofits who cannot get credit elsewhere – 2.375%