

NEWS ♦ NEWS ♦ NEWS ♦ NEWS ♦ NEWS**OFFICE OF THE GOVERNOR
COMMONWEALTH OF PENNSYLVANIA**

Governor's Press Office ♦ Room 308, Main Capitol Building ♦ Harrisburg, PA 17120
www.governor.state.pa.us ♦ 717-783-1116 (Phone) ♦ 717-772-8462 (Fax)

EDWARD G. RENDELL, Governor

FOR IMMEDIATE RELEASE:
Sept. 10, 2009

CONTACT:
Maria A. Finn (PEMA)
717-651-2009

Michael Smith
717-783-1116

**GOV. RENDELL'S REQUEST FOR FEDERAL SBA HELP
APPROVED FOR WESTERN PA FLOOD VICTIMS
*DISASTER LOAN OUTREACH CENTERS TO BE SET UP IN PRIMARY COUNTIES;
APPLICATIONS MAY ALSO BE SUBMITTED ONLINE***

HARRISBURG – Residents and businesses affected by flooding from June 16-30 in western Pennsylvania will have access to low-interest, long-term loans now that the U.S. Small Business Administration has approved Governor Edward G. Rendell's request to declare a disaster area.

The disaster declaration makes assistance available to storm victims in Allegheny, Erie and Westmoreland counties, as well as the following contiguous counties: Armstrong, Beaver, Butler, Cambria, Crawford, Fayette, Indiana, Somerset, Warren and Washington.

“These storms moved quickly across our state, but their impact will be felt for years to come,” said Governor Rendell. “Low-interest loans will be an important part of the rebuilding process for citizens and businesses in these communities.”

Low-interest loans of up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. SBA regulations permit loans up to \$40,000 to repair or replace personal property.

Interest rates are as low as 2.437 percent for homeowners and renters, and 4 percent for businesses, with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant's financial qualifications.

The SBA disaster loan outreach centers will be open in the following locations:

- Allegheny County: Turtle Creek Municipal Building, 125 Monroeville Ave., Turtle Creek, PA 15145;

- Erie County: Department of Public Safety, 2880 Flower Rd., Erie, PA 16509; and
- Westmoreland County: Hempfield Township Building, 1132 Woodward Drive, Greensburg, PA 15601.

The outreach centers will be open on weekdays Tuesday, Sept. 15 through Tuesday, Sept. 22 from 8:30 a.m. to 4:30 p.m.; Saturday, Sept. 19 from 9 a.m. to 3 p.m.; and closed on Sunday, Sept. 20.

SBA customer service representatives will be present to issue loan applications, answer questions about the disaster loan program, explain the application process and help individuals to complete their applications.

Individuals and businesses unable to visit the center in person may obtain information and loan applications by calling the SBA's Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the hearing impaired), Monday through Friday from 8 a.m. to 6 p.m., EDT, or by sending an e-mail to disastercustomerservice@sba.gov.

Business loan applications can also be downloaded from the SBA Web site at www.sba.gov/services/disasterassistance. Completed applications should be returned to the center or mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Victims may apply for disaster loans from SBA's secure Web site at <https://disasterloan.sba.gov/ela/>.

The filing deadline to return applications for physical property damage is Nov. 9, 2009. The deadline to return economic injury applications is June 9, 2010.

More information on other types of disaster assistance in Pennsylvania is available at www.pema.state.pa.us; click on "Disaster Assistance" in the left-hand column.

###

The Rendell administration is committed to creating a first-rate public education system, protecting our most vulnerable citizens and continuing economic investment to support our communities and businesses. To find out more about Governor Rendell's initiatives and to sign up for his newsletter, visit www.governor.state.pa.us.



U.S. Small Business Administration

DISASTER NEWS

Loans for Homeowners, Renters and Businesses of All Sizes
 SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

Release Date: September 10, 2009

Release Number: 09- 682 11876/11877

Contact: Michael Lampton

Phone: (404) 331-0333

SBA Offers Disaster Assistance to Pennsylvania Residents Affected By Severe Storms and Flooding

WASHINGTON – Pennsylvania residents and businesses affected by severe storms and flooding that occurred from June 16 through June 30, 2009, can apply for low-interest disaster loans from the U.S. Small Business Administration, SBA Administrator Karen G. Mills announced today.

Administrator Mills made the loans available in response to a letter from Gov. Edward G. Rendell dated September 8, 2009, requesting a disaster declaration by the SBA. The declaration covers Allegheny, Erie and Westmoreland Counties and the adjacent counties of Armstrong, Beaver, Butler, Cambria, Crawford, Fayette, Indiana, Somerset, Warren and Washington in Pennsylvania; Chautauqua County in New York and Ashtabula County in Ohio.

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

“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 Frank Skaggs, Director of SBA’s Disaster Field Operations Center in Atlanta. SBA’s customer service representatives will be on hand at the Disaster Loan Outreach Centers to issue loan applications, answer questions about the SBA’s disaster loan program, explain the application process and help individuals complete their applications.

The Centers will be located in the following communities and will open as indicated:

Allegheny County	Erie County	Westmoreland County
Turtle Creek Municipal Building 125 Monroeville Avenue Turtle Creek, PA 15145	Erie County Department of Public Safety 2880 Flower Road Erie, PA 16509	Hempfield Township Building 1132 Woodward Drive Greensburg, (Hempfield Township), PA 15601
Opens: Tuesday, September 15, 2009 at 8:30 a.m. Hours: Monday-Friday, 8:30 a.m. - 4:30 p.m. Saturday, September 19, 9 a.m. - 3p.m. (closed Sunday) Closes: Tuesday, September 22, 2009, at the close of business		

-more-

Page 2

**SBA Offers Disaster Assistance to Pennsylvania Residents
Affected By Severe Storms and Flooding**

Carl Knoblock, SBA's Pennsylvania District Director, Pittsburgh Office, added, "Low-interest Federal disaster loans are available to homeowners, renters, businesses and non-profit organizations of all sizes whose property was damaged or destroyed by the severe storms and flooding."

Businesses and non-profit organizations of any size may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. The SBA also provides mitigation funds to disaster victims based on 20 percent of the verified physical damage. These funds are designed to help borrowers pay for protective measures to minimize damages of the same kind in the future.

For small businesses and most private non-profit organizations of all sizes, the SBA offers Economic Injury Disaster Loans (EIDLs) to help meet working capital needs caused by the disaster. EIDL assistance is available regardless of whether the business suffered any physical property damage.

Interest rates are as low as 2.437 percent for homeowners and renters, and 4 percent for businesses, with terms up to 30 years. Loan amounts and terms are set by the SBA and are based on each applicant's financial condition.

Individuals and businesses unable to visit one of the Centers in person may obtain information and loan applications by calling the SBA's Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the hearing impaired), Monday through Friday from 8 a.m. to 6 p.m. EDT or sending an email to disastercustomerservice@sba.gov. Business loan applications can also be downloaded from the SBA Web site at www.sba.gov/services/disasterassistance. Completed applications should be returned to the Center or mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Victims may apply for disaster loans from SBA's secure Web site at <https://disasterloan.sba.gov/ela/>.

The filing deadline to return applications for physical property damage is November 9, 2009. The deadline to return economic injury applications is June 9, 2010.

###

For more information about the SBA's Disaster Loan Programs, visit our Web site at www.sba.gov/services/disasterassistance.



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

PENNSYLVANIA #11876 & #11877

(Disaster #PA-00023)

For the Counties of Allegheny, Erie and Westmoreland and contiguous counties of Armstrong, Beaver, Butler, Cambria, Crawford, Fayette, Indiana, Somerset, Warren and Washington in the Commonwealth of Pennsylvania; contiguous Chautauqua County in the State of New York; and contiguous Ashtabula County in the State of Ohio.

Severe Storms and Flooding Occurred June 16, 2009 through June 30, 2009

**Filing Deadline for applications for Physical Damage
to homes, personal property, businesses:**

November 9, 2009

Filing Deadline for applications for Economic Injury:

June 9, 2010

Whether you rent or own your own home, own your own business, or own a small agricultural cooperative located in a declared disaster area, and are the victim of a disaster, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

What Types of Disaster Loans are Available?

- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles.
- 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 (EIDLs) – are working capital loans to help small businesses, small agricultural cooperatives 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.
- 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 (SBA).

What are Mitigation Loans?

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 disaster damage to real estate and/or leasehold improvements, 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.

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 \$14,000 and all EIDL loans over \$5,000. 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:

	<u>No Credit Available Elsewhere</u>	<u>Credit Available Elsewhere</u>
Home Loans	2.437%	4.875%
Business Loans	4.000%	6.000%
Non-Profit Organizations	4.000%	4.500%
Economic Injury Loans	4.000%	N/A

-more-

What are Loan Terms?

The maximum term is 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 3-years term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

What are the Loan Amount Limits?

- 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.
- 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 EIDL(s) 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. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates.
- Business Loan Ceiling – The \$2,000,000 statutory limit for business loans applies to the combination of physical and economic injury, 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.

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 are not eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA or Federally Insured loans.

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), and (3) intends to repair the damage.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, in some cases up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.

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 for the full insurable value of the property for the life of the loan.

**For more information, contact SBA Disaster Assistance Customer Service Center at
(800) 659-2955 or disastercustomerservice@sba.gov
www.sba.gov/services/disasterassistance**