

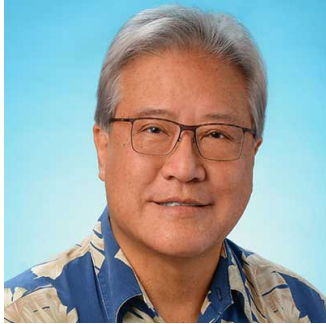


**AMERICAN**  
Savings Bank

# Mālama Maui SBA Disaster Relief Webinar

**August 21, 2023**  
**9 – 10am**

# Moderators



Lawrence Pai  
Business Banking Director



Matt Orias  
Business Banking Team Leader

# Guest Speaker



Cynthia Cowell  
SBA Disaster Recover Team



U.S. Small Business  
Administration

# DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

# Presidential Disaster Declaration

- **In a Presidential Declaration, many Federal agencies provide assistance.**
- **FEMA is the coordinating agency and delivers assistance designated in the declaration:**
  - **Individual Assistance (IA) - provides aid for temporary housing, emergency needs & necessary expenses for individuals and households.**
  - **Public Assistance (PA) - provides aid to state and local governments for infrastructure.**
  - **Each of these authorize an SBA declaration.**



# SBA Low-interest Federal Loans

## Disaster Property Damage

- **For businesses, nonprofits, homeowners and renters to repair or replace disaster damaged property not covered by insurance or other recovery funds**



# SBA Low-interest Federal Loans

- **Economic Injury Loans for Working Capital Needs**  
**Small businesses and most private nonprofit organizations**



# Disaster Loan Program

The SBA recently made effective a direct final rule to update the disaster loan program, for disasters declared on or after July 31, 2023:

- ✓ Increase from \$40,000 to **\$100,000** for repair or replacement of household and personal effects
- ✓ Increase from \$200,000 to **\$500,000** for repair or replacement of a primary residence
- ✓ Make permanent the **one year no interest/no payment deferment period** for all disaster loans, which was set to end on September 30, 2023
- ✓ Increase maximum refinance eligibility from \$200,000 to **\$500,000** and remove the restriction of eligible refinancing if there is compensation from insurance or other recoveries
- ✓ Increase contractor malfeasance eligibility from \$200,000 to **\$500,000**
- ✓ For post disaster mitigation, *20% of the verified physical loss (as verified by SBA)*, with an increase from \$200,000 to **\$500,000** and remove the restriction from similar to **any disaster**.

The reasons for these changes is to:

- expand options for disaster loan recipients
- reflect the impact of inflationary increases over time that result in higher costs.

# SBA Disaster Loan Limits

<b>Types of Loans</b>	<b>Borrowers</b>	<b>Purpose</b>	<b>Max. Amount</b>
<b>Business Loans</b>	<b>Businesses and private nonprofits</b>	<b>Repair or replace real estate, inventory, equipment, etc.</b>	<b>\$2 million *</b>
<b>Economic Injury Loans</b>	<b>Small businesses and private nonprofits</b>	<b>Working capital loans</b>	<b>\$2 million *</b>
<b>Home Loans</b>	<b>Homeowners</b>	<b>Repair or replace primary residence</b>	<b>\$500,000</b>
<b>Home Loans</b>	<b>Homeowners and renters</b>	<b>Repair or replace personal property</b>	<b>\$100,000</b>
<b>Mitigation</b>	<b>Businesses, private nonprofits and homeowners.</b>	<b>Mitigate / prevent future loss of the same type</b>	<b>20% of verified physical damage. Homeowners limited to \$200,000.</b>

**\*The maximum business loan is \$2 million, unless the business qualifies as a Major Source of Employment (MSE).**



# 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

- **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).**

# Loan and Insurance Requirements

## Requirements for loan approval



### Eligibility

- Damaged property must be in a declared area.

### Credit History



- Applicants must have a credit history acceptable to SBA.

### Repayment



- Applicants must show the ability to repay all loans.

## Borrowers must obtain and maintain appropriate insurance as a condition of most loans.



### Hazard Insurance

- Required on all secured loans.



### Flood insurance

- Required for properties located in a Special Flood Hazard Area (SFHA) and for properties damaged in a flood disaster.

# Application Filing Deadline

- **Filing deadline for Physical Damage - 60 days from the declaration date.**
- **Filing deadline for Economic Injury Disaster Loans (EIDLs) – 9 months from the declaration date.**

**In Presidential Declarations, FEMA may extend the filing deadline for all Federal programs, including SBA.**

**Disaster #18061      Physical Damage Deadline: Oct. 10, 2023**  
**EIDL Deadline: May 10, 2024**

# SBA Disaster Loan Program

- **SBA's conducts comprehensive outreach throughout the disaster declared area with emphasis on "equity" and "underserved communities" as defined by Executive Order 13985.**
- **SBA partners with local, regional, state and national governmental and nongovernmental organizations to identify, inform, explain and enable businesses, residents, and private nonprofit organizations in equity and underserved communities' access to SBA disaster assistance.**
- **This assistance includes help applying for federal low-interest disaster loans and free small business disaster counseling to help them plan and recover from the disaster.**



# Apply Online at the SBA Disaster Loan Assistance Portal

<https://disasterloan.sba.gov/ela>

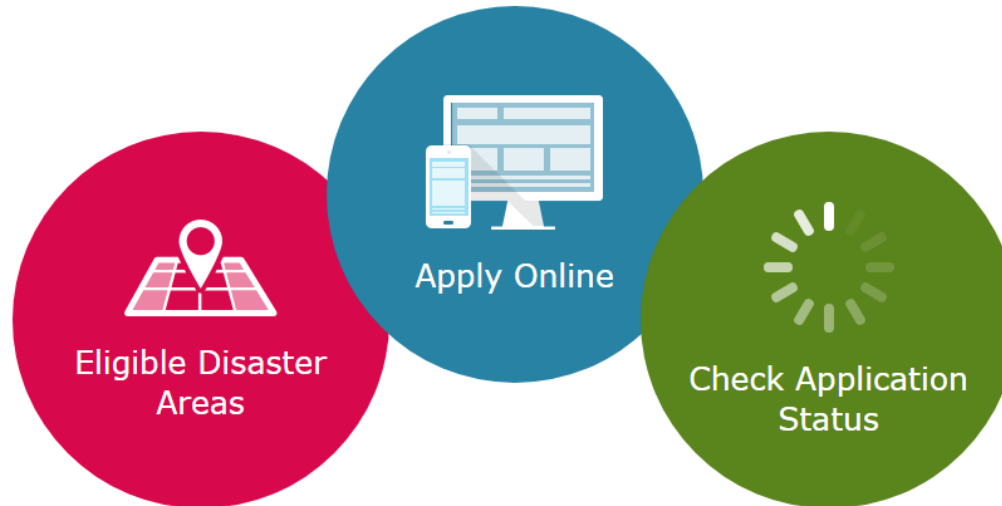


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## Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters



SBA.gov

3-Step Loan Process

FEMA Disaster Assistance

# **SBA Office of Disaster Recovery and Resilience Rural Declaration Process Point of Contact**

**Field Operations Manager - Donna S. Gross  
Deputy Field Operations Manager - Jennifer Sett  
Acting Field Operations Supervisor - Nicole Lizama**

**Email**

**[FOCWFieldOpsSupport@sba.gov](mailto:FOCWFieldOpsSupport@sba.gov)**

**Telephone  
(916) 735-1500**

# **SBA Office of Disaster Recovery and Resilience Contacts for the Public**

**For More Information about SBA disaster assistance  
programs, go to:**

**[www.sba.gov/disaster](http://www.sba.gov/disaster)**

**Contact SBA's  
Customer Service Center at:  
1-800-659-2955 / 1-800-877-8339 (TTY)**

**Or by email at:  
[disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)**

# **SBA Field Operations Center – West**

**Director - Tanya N. Garfield**

**Deputy Director - Jeffrey D. Lusk**

**Field Operations Manager - Donna S. Gross**

**Public Information Manager – Mark W. Randle**

**Main Phone #: (916) 735-1500**



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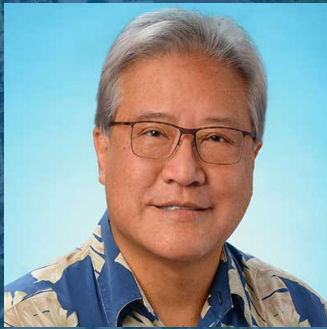
# Questions & Answers





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**CONNECT WITH US TODAY!**



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