



FEMA

E-News Update for Tennessee Businesses

APPLYING FOR FEMA DISASTER ASSISTANCE

Often, the first step to recovery is making sure your employees are ready and able to come back to work. If you or your employees were affected by the disaster, you are encouraged to register by July 6, 2010, at www.DisasterAssistance.gov online any time or call 1-800-621-3362 or (TTY 1-800-462-7585) from 7 a.m. to 10 p.m., seven days a week. Help is available in all languages.

KEY MESSAGE:

Register and return completed SBA applications before the registration deadline of July 6, 2010. Businesses, homeowners and renters who receive a disaster loan application from the U.S. Small Business Administration (SBA) should complete and return it – even if they aren't sure they will need or want a loan. Returning the application is necessary to be considered for FEMA's Other Needs Assistance program, which provides reimbursements for personal property losses, vehicle repair or replacement and other serious disaster-related expenses not covered by insurance or other sources. The filing deadline for applications for physical damage to homes, personal property and business is July 6, 2010. The deadline for SBA applications for Economic Injury is February 4, 2011.

SBA FOR BUSINESSES:

Businesses of any size that are located in a declared disaster area and have incurred damage during the disaster may apply for a loan to help repair or replace damaged property to its pre-disaster condition. The Small Business Administration (SBA) makes physical disaster loans of up to \$2 million to qualified businesses and most private nonprofits.

Physical Disaster Loans are for permanent rebuilding and replacement of uninsured or underinsured disaster-damaged real estate, machinery and equipment, inventory and other business assets. SBA's physical disaster loans are available to businesses of all sizes and nonprofit organizations.

Economic Injury Disaster Loans provide necessary working capital until normal operations resume after a disaster. The law restricts economic injury disaster loans to small businesses and nonprofit organizations.

Interest Rates on both these programs are as low as 3 percent for nonprofits and 4 percent for businesses. Repayment can be up to 30 years, depending on the ability of the business to repay the loan.

Businesses may apply directly to the SBA for possible assistance. The SBA will send an inspector to estimate the cost of your damage once you have completed and returned your loan

application. Downloadable application forms are available at the following Web address: www.sba.gov/services/disasterassistance/basics/howtoapply/index.html

For information about SBA disaster-assistance for businesses, call 1-800-659-2955.

SBA FOR INDIVIDUALS:

If you are an individual, you should complete and return your SBA disaster loan application, even if you are not sure you can afford a loan or want a loan. Based on our disaster experience, we understand that you are reluctant to take on debt. You are not required to accept a loan at this time. We know from other disasters that you need time to understand all of your disaster needs and consider all of your recovery options. You will have plenty of time to make your decision about a loan.

We also know from past disaster experience that there is still much uncertainty about disaster recovery costs and expenses. Some examples are:

- Insurance coverage does not cover all damages due to deductibles, policy limits, actual replacement costs and extra costs of code-required upgrades after the disaster.
- You do not need to wait for an insurance settlement, have a contractor's estimate or know the full cost of your repairs before applying. The SBA can approve your loan and disburse funds subject to insurance settlements and actual costs for repairs.
- The cost to complete the repairs is often more than you first thought. Very often, additional damage is discovered after repairs have begun. With an approved SBA loan, you know the money is available to make full repairs.

While no one wants additional debt, a low-interest loan with affordable payments is a better alternative than not making complete disaster repairs or incurring unplanned debt using credit cards or other means with unfavorable terms. Paying for disaster repairs is an unplanned expense and most disaster survivors, both residents and business owners, need some help to get back on their feet. SBA disaster loans can provide that help. However many disaster survivors have not yet applied for a low-interest federal disaster loan from SBA.

FEDERAL ASSISTANCE UPDATE:

Tennessee (As of close of business June 16, 2010)

In the 46 counties that have been designated for Individual Assistance, disaster assistance continues to flow to Tennesseans with more than **62,475 disaster survivors** having registered with FEMA. Over **\$137 million** in disaster grants and low-interest loans have been approved since the declaration, (**\$119.3 million** for housing assistance and **\$18 million** for Other Needs) as well as **\$70.8 million** in loans approved by SBA since the major disaster declaration May 4, 2010.

This E-News Update is provided by the Federal Emergency Management Agency, Office of External Affairs, which is part of the federal response to DR-1909-TN. For more information, please visit www.fema.gov. You can also follow FEMA/TEMA's flood response on Facebook at <http://www.facebook.com/TNDisasterInfo>. If you no longer wish to receive these Private Sector E-News Updates, reply with "REMOVE" in the subject line. If someone forwarded you this email and you would like to be added to the distribution list, send an email with "SUBSCRIBE" in the subject line to Leslie.Moore@fema.gov or Jenefeness.Clark@fema.gov.