



U.S. Small Business Administration

DISASTER NEWS

Loans for Homeowners, Renters and Businesses of All Sizes

Release Date: December 19, 2011

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SBA Offers Disaster Assistance to California Residents and Businesses Affected by the Los Angeles High Winds

Sacramento, CA – Low-interest federal disaster loans are available to California residents and business owners affected by the Los Angeles County High Winds from November 30 through December 4, 2011, announced U.S. Small Business Administration (SBA) Administrator Karen G. Mills. SBA acted under its own authority to declare a disaster following a December 13 request from Governor Edmund G. Brown, Jr.'s designated representative, Mike Dayton, Acting Secretary of California Emergency Management Agency.

The disaster declaration makes SBA assistance available in **Los Angeles County** and the neighboring counties of **Kern, Orange, San Bernardino** and **Ventura**.

“The U. S. Small Business Administration is strongly committed to providing Californians with the most effective and customer-focused response possible, and we will be there to provide access to federal disaster loans to help finance recovery for residents and businesses affected by the disaster,” said Mills. “Getting our businesses and communities up and running after a disaster is our highest priority at SBA.”

“Low-interest federal disaster loans are available to homeowners, renters, businesses of all sizes and private, nonprofit organizations whose property was damaged or destroyed by the disaster,” said SBA’s Los Angeles District Director Victor Parker. “Beginning **Monday, December 19**, SBA customer service representatives will be on hand at the following Disaster Loan Outreach Center to issue loan applications, answer questions about SBA’s disaster loan program, explain the application process, and help each individual complete their application,” Parker continued.

The center will be open on the days and times indicated. No appointment is necessary.

Los Angeles County

Disaster Loan Outreach Center

Pasadena Fire Headquarters

(Across from the Hilton Hotel)

199 South Los Robles Avenue, Suite 550 (5th floor)

(Validated underground parking is available)

Pasadena, CA 91101

Opens Monday, December 19 at 1 pm

Open Tuesday, December 20 through Friday, December 23

9 am to 5:30 pm

Re-opens Monday, January 9, 2012 at 9 am

Open Monday, January 9 through Friday, January 20

9 am to 5:30 pm, Mondays through Fridays

(--more--)

Disaster loans up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible for up to \$40,000 to repair or replace damaged or destroyed personal property.

Businesses of any size and private, nonprofit organizations may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. SBA can also lend additional funds to homeowners and businesses to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring in the future.

For small businesses and most private, nonprofit organizations of any size and aquaculture businesses, 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 property damage.

Interest rates can be as low as 2.063 percent for homeowners and renters, 3 percent for private, nonprofit organizations and 4 percent for businesses, with terms up to 30 years. Loan amounts and terms are set by SBA and are based upon each applicant's financial condition.

Applicants may apply online via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.

Disaster loan information and application forms are also available from SBA's Customer Service Center by calling SBA at (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov/services/disasterassistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339.

The filing deadline to return applications for property damage is **February 17, 2012**. The deadline to return economic injury applications is **September 19, 2012**.

For more information, visit SBA's Web site at www.sba.gov.
SBA Field Operations Center - West, P.O. Box 419004, Sacramento, CA 95841

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Billing Code 8025-01-P

U.S. SMALL BUSINESS ADMINISTRATION

Disaster Declaration # 12967 and # 12968

CALIFORNIA Disaster # CA-00182

AGENCY: U.S. SMALL BUSINESS ADMINISTRATION

ACTION: Notice

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of CALIFORNIA dated 12/19/2011.

INCIDENT: Los Angeles High Winds

INCIDENT PERIOD: 11/30/2011 through 12/04/2011

EFFECTIVE DATE: 12/19/2011

PHYSICAL LOAN APPLICATION DEADLINE DATE: 02/17/2012

ECONOMIC INJURY (EIDL) LOAN APPLICATION DEADLINE DATE: 09/19/2012

ADDRESSES: Submit completed loan applications to :

U.S. SMALL BUSINESS ADMINISTRATION
PROCESSING AND DISBURSEMENT CENTER
14925 KINGSPORT ROAD
FORT WORTH, TX 76155

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance,
U.S. Small Business Administration, 409 3rd Street, SW, Suite 6050, Washington, DC 20416

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties:

LOS ANGELES

Contiguous Counties:

CALIFORNIA

KERN

ORANGE

SAN BERNARDINO

VENTURA

The Interest Rates are:

For Physical Damage:

HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE	4.125
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE	2.063
BUSINESSES WITH CREDIT AVAILABLE ELSEWHERE	6.000
BUSINESSES WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000
NON-PROFIT ORGANIZATIONS WITH CREDIT AVAILABLE ELSEWHERE	3.125
NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE	3.000

For Economic Injury:

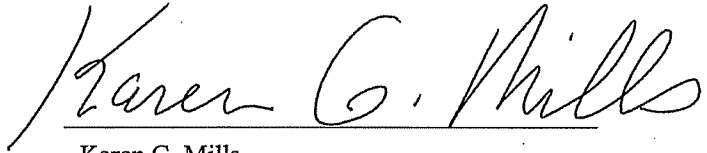
BUSINESSES & SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE 4.000
NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE 3.000

The number assigned to this disaster for physical damage is 12967 B and for economic injury is 12968 0.

The State which received an EIDL Declaration # is CALIFORNIA

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

DEC 19 2011



Karen G. Mills

Administrator



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

CALIFORNIA Declaration # 12967 / 12968

(Disaster: CA-00182)

Incident: LOS ANGELES COUNTY HIGH WINDS

occurring: November 30, 2011 through December 4, 2011

in Los Angeles County, California;

and the contiguous California counties of: Kern, Orange, San Bernardino & Ventura

Application Filing Deadlines:

Physical Damage: February 17, 2012 Economic Injury: September 19, 2012

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) – 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.
- 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 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:

	No Credit Available Elsewhere	Credit Available Elsewhere
Home Loans	2.063%	4.125%
Business Loans	4.000%	6.000%
Non-Profit Organization Loans	3.000%	3.125%
Economic Injury Loans		
Businesses and Small Agricultural Cooperatives	4.000%	N/A
Non-Profit Organizations	3.000%	N/A

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 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, 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.

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 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 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.

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's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.