

# SUGARMAN LAW, P.C.

375 Commack Road, Suite 204, Deer Park, NY 11729 (631) 406-7600 fax (585) 507-4688sugarmanesq@optonline.net

## For Suffolk County:

Beginning on Wednesday, November 7, 2012 Suffolk County through its Departments of Economic Development/Planning and Labor will be offering access to computers, printers and fax machines as well as counseling services to those businesses that have suffered damages from Hurricane Sandy. Certified Business Counselors from the Small Business Development Centers at Farmingdale and Stony Brook will guide business owners through the resources available and assist with the preparation of applications for disaster assistance available through the SBA. All services offered are free.

### Small Business Disaster Recovery Centers Locations

SC Department of Labor	SC Department of Labor
725 Veterans Memorial Highway	300 Center Drive
Hauppauge, NY 11788	Riverhead, NY 11901
(Smithtown for GPS users)	
Monday-Friday	Monday -Friday
9:30 AM - 7:30 PM	9:30 AM - 4:30 PM
631-853-6600	631-852-1955

## For Nassau County:

The Nassau County Industrial Development Agency will staff the program, which includes a dedicated phone number and email address for business owners to use for inquiries about business continuity and recovery issues.

In addition, eligible small businesses may receive up to \$99,000 of financial assistance to be used toward their recovery efforts through the Nassau County Industrial Development Agency through its LEADS (Local Enterprise Assistance and Development Services) program. The program provides eligible small businesses with up to \$99,000 of financial assistance through a sales tax exemption on any furniture, fixtures, equipment and material purchased for repair and reconstruction.

The program also provides access and guidance in navigating New York State and federal government reconstruction and recovery business programs.

The LEADS program targets small and mid-size businesses—those with 100 or fewer employees, who account for 60 percent of Nassau County's workforce. The Nassau LEADS program is a clearinghouse for all economic incentives, relief and programs available to small business at the federal, state, county and local levels.

"Nassau LEADS is a one-stop shop for economic development assistance," said Nassau IDA Executive Director Joseph Kearney.

Businesses should call (516) 571-1745 or email [LEADS@NassauIDA.org](mailto:LEADS@NassauIDA.org). An economic development professional will respond within 24 hours.

If you have a business that suffered damages from Hurricane Sandy, here are some steps to follow immediately:

- Contact your insurance agent or broker immediately. Make sure you get the proper forms to file a claim.
- Document: Take photos of all the damage before you do any sort of clean-up or renovations and take notes of dates, times, etc.
- If you hire a contractor to do the work, get a few quotes and keep these for references.
- Keep track of ALL expenses with receipts and notes of explanations. These will come in handy when you need to make proof these expenses.
- You need to register with FEMA for assistance at: <http://www.disasterassistance.gov/> . The web site has comprehensive information on Federal and local assistance available for both individuals and businesses.
- In addition, 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 this disaster, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA). Information is available at [www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/disaster-loans](http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/disaster-loans)

## **FROM THE SBA WEBSITE:**

**<http://www.sba.gov/content/fact-sheet-businesses-all-sizes>**

### **Fact Sheet for Businesses of All Sizes**

If your business or private, nonprofit organization has suffered physical damage or your small business or private, nonprofit organization of any size has sustained economic injury after a disaster, you may be eligible for financial assistance from the U.S. Small Business Administration. If your business—regardless of size—is located in the declared disaster area, you may apply for a long-term, low-interest loan to repair or replace damaged property.

Even if your property was not damaged and you are a small business owner or a private, nonprofit organization, you may apply for a working capital loan from the SBA to relieve the economic injury caused by the disaster.

### **Physical Disaster Loans**

Businesses of all sizes and private, nonprofit organizations may apply for a Physical Disaster Loan of up to \$2 million to repair or replace damaged real estate, equipment, inventory and fixtures. The loan may be increased by as much as 20 percent of the total amount of disaster damage to real estate and/or leasehold improvements, as verified by SBA, to protect the property against future disasters of the same type. These loans will cover uninsured or under-insured losses.

### **Economic Injury Disaster Loans**

Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, nonprofit organizations of all sizes suffering substantial economic injury may be eligible for an Economic Injury Disaster Loan of up to \$2 million to meet necessary financial obligations – expenses the business would have paid if the disaster had not occurred.

### **Interest Rates**

The interest rate on both these loans will not exceed 4 percent if you do not have credit available elsewhere. Repayment can be up to 30 years, depending on the business's ability to repay the loan. For businesses and nonprofit organizations with credit available elsewhere, the interest rate will not exceed 8 percent. SBA determines whether the applicant has credit available elsewhere.

# Application Information

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.

SBA now offers you the option of filing your business disaster loan application [electronically](#). Downloadable application forms are available at: [Apply for Assistance](#).

For additional information, please contact our Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

## Frequently Asked Questions

### **What information must I submit for a disaster loan?**

Submit a completed loan application and a signed and dated IRS form 8821 giving permission for the IRS to provide the SBA your tax return information.

To process your application we need current financial information such as a personal financial statement, a current profit-and-loss statement, balance sheet and a list of debts.

### **Can I use the disaster loan to expand my business?**

The disaster loan helps restore property to pre-disaster condition, and, under certain circumstances, protects the structure from future disasters. It cannot upgrade or expand a business unless required by local building codes.

### **I already have a mortgage on my business. Can the SBA refinance my mortgage?**

The SBA can refinance all or part of a previous mortgage in some cases when the applicant does not have credit available elsewhere, has suffered uninsured damage (40 percent or more of the property value), and intends to repair the damage. SBA disaster loan officers can provide additional details.

### **How soon before I know I've been approved for a loan?**

The sooner you return the completed loan application, the sooner the SBA can process it. The SBA tries to make a decision within 18 days. Make sure the application is complete. Missing information is a major cause of delays.

### **Is collateral required for these loans?**

Physical loss loans over \$14,000 and all EIDL loans over \$5,000 must be secured to the extent possible. SBA will not decline a loan if there isn't enough collateral, but requires you to pledge what is available. That usually consists of a first or second mortgage on the damaged business real estate, or best available if you don't have real estate.

### **Should I wait for my insurance settlement before I file my loan application?**

No. Don't miss the filing deadline by waiting for an insurance settlement. Final insurance information can be added when a settlement is made. The SBA can approve a loan for the total replacement cost, but any insurance proceeds that duplicate SBA's loan must be applied to your SBA loan.

### **How may I use an Economic Injury Disaster Loan?**

The loan provides working capital for disaster-related needs until your business or private, non-profit organization recovers. You may request an EIDL for the amount of economic injury but not in excess of what your business or private, non-profit organization could have paid if the disaster had not occurred. EIDL loans cannot refinance longterm debts or provide working capital needed before the disaster. EIDL loans do not replace sales or lost profits.

### **Must I submit a personal financial statement with my loan application?**

Yes. The SBA must review a financial statement for each owner and one for each partner, officer, director and stockholder with 20 percent or more ownership. The SBA requires the principals of the business to personally guarantee repayment of the loan, and in some instances to secure the loan by pledging additional collateral

<http://www.sba.gov/content/applying-disaster-loan>

## Applying For A Disaster Loan

SBA now offers you the option of filing your home and business disaster loan applications through the [Electronic Loan Application \(ELA\)](#). You also have the option of submitting your application via [mail](#).

You may also apply in person at any Disaster Recovery Center and receive personal, one-on-one help from an SBA representative. For information or to find a location near you, please contact our Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

## Electronic Loan Applications

As a disaster victim, you may now apply for disaster loan assistance at your own convenience through the [Electronic Loan Application \(ELA\)](#). The ELA simplifies the application process and speeds delivery of assistance to you. The ELA allows anyone whose home or business was damaged by a declared disaster to apply for disaster loan assistance. Homeowners and renters can apply for damages to their home, personal property, and vehicles. Businesses can apply for damages to their real estate or business contents and for economic losses.

If you are applying for assistance for a Presidential disaster declaration, homeowners and renters must register with the Federal Emergency Management Agency to obtain a FEMA Registration ID Number by calling 1-800-621-3362. The speech or hearing impaired may call (TTY) 1-800-462-7585.

## Applying For A Disaster Loan

SBA now offers you the option of filing your home and business disaster loan applications through the [Electronic Loan Application \(ELA\)](#). You also have the option of submitting your application via [mail](#).

You may also apply in person at any Disaster Recovery Center and receive personal, one-on-one help from an SBA representative. For information or to find a location near you, please contact our Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

## Electronic Loan Applications

As a disaster victim, you may now apply for disaster loan assistance at your own convenience through the [Electronic Loan Application \(ELA\)](#). The ELA simplifies the application process and speeds delivery of assistance to you. The ELA allows anyone whose home or business was damaged by a declared disaster to apply for disaster loan assistance. Homeowners and renters can apply for damages to their home, personal property, and vehicles. Businesses can apply for damages to their real estate or business contents and for economic losses.

If you are applying for assistance for a Presidential disaster declaration, homeowners and renters must register with the Federal Emergency Management Agency to obtain a FEMA Registration ID Number by calling 1-800-621-3362. The speech or hearing impaired may call (TTY) 1-800-462-7585.

**Tutorial:** [Disaster Recovery: Guide to SBA's Disaster Assistance Programs](#)

## Required Information for the ELA Process

It is recommended that you have the following information available when completing the online application:

## Home Applications

- Contact information for all applicants (current and alternate telephone numbers).
- Identity information for all applicants (social security numbers / FEMA registration number).
- Deed or lease information, if available.
- Insurance information – if applicable, the name address, and policy number of any insurance carrier liable for the loss.
- Financial information (income, creditors' names, monthly payments, balances).

## Business Applications

- Contact information (current and alternate telephone numbers).
  - Owner/identity information (social security numbers / EIN number / FEMA registration number).
  - Insurance information – if applicable, the name, address, and policy number of any insurance carrier liable for the loss.
- 

<http://www.sba.gov/content/disaster-loans-use-proceeds>

## What Can Disaster Loan Proceeds Be Used For?

The SBA offers several different types of disaster loans for small businesses and nonprofit organizations. The SBA can provide up to \$2 million in disaster assistance; this includes both economic injury and physical damage assistance. Depending on your loan type, the proceeds may be used for different purposes. Some applicants will qualify for both an economic injury loan and a physical disaster loan.

## Physical Disaster Loans

Physical Disaster Loan proceeds may be used for the repair or replacement of the following:

- Real property
- Machinery
- Equipment
- Fixtures
- Inventory
- Leasehold improvements

In addition, disaster loans to repair or replace real property or leasehold improvements may be increased by as much as 20 percent of the total amount of disaster damage to real estate and/or leasehold improvements as verified by the SBA to protect the damaged real property against possible future disasters of the same type.

SBA loans will cover uninsured physical damage. If your property was insured but you are required to apply insurance proceeds to an outstanding mortgage on the damaged property, you can include the amount applied in your disaster loan application.

## Economic Injury Disaster Loans

An EIDL can help you meet the normal financial obligations that your business or private nonprofit organization could have met had the disaster not occurred. It permits you to maintain a reasonable working capital position during the period affected by the disaster.