

Hurricane Ike Forgivable Loan Program



On September 13, 2008, Southeast Texas was devastated by Hurricane Ike impacting many small businesses. Many are still in need of assistance to recover from both physical and economic damages resulting from the disaster. The three county region of Jefferson, Orange and Hardin have been designated recipients of a \$1.9 million Community Development Block Grant to be used toward economic recovery.

Funds will be distributed throughout the three county region as forgivable loans. Any business receiving funds will have 50% of the loan value forgiven after showing proof of operation for one year post disbursement and will have 100% of the loan value forgiven if operations continue for at least two years post disbursement. **Should a business cease operations before the predetermined term limits, funds must be paid back in full.**

The following criteria will be used to determine eligibility of funds:

- For profit businesses located in Jefferson, Orange or Hardin Counties
- Creation or retention of 1 job satisfying LMI national objectives
- Business must have been operational prior to Hurricane Ike.
- An individual credit score of 600 or higher
- Compliance with CDBG regulations

A special allotment is available for businesses willing to locate in a storm surge area. Approved loans may be used for marketing, working capital, equipment or site improvements. A loan committee will consider all applicants on a comparative basis after a posted deadline. Priority will be given to those applications with the highest simulative impact on the economy including job creation and retention.

Applicant businesses will be required to provide the following information based on the loan amount requested:

All Applicants:

- Credit Bureau Report (within the past 30 days)
- Copy of Driver's License
- Proof of Business Ownership

Requests above \$10,000

- Copy of 2008 tax returns (personal and business)
- Profit and Loss Statement
- Balance Sheet
- Accounts Receivable/Accounts Payable

SBAlliance Capital will be responsible for administering and monitoring the distributed funds. SBAlliance Capital will make a site visit to each applicant business once the application has been received. Approved applicants will be required to sign a promissory note in the event of default on the continued operations clause. Applications and accompanying documentation will be reviewed for financial stability both pre and post hurricane. Financial security and financial viability will be a contributing factor in the approval of fund disbursement.

Collateral will be taken where appropriate to secure the note.

Maximum funding limits are initially based on number of employees :

1-3 employees	\$10,000
4-6 employees	\$15,000
7-9 employees	\$20,000
10 or more employees	\$25,000

****SBAlliance Capital reserves the right to adjust funding limits based on the needs of the applicant.**

Awareness of this program will be marketed with community meetings, PSA's, and through local Chambers of Commerce. Applications can be downloaded at www.setedf.org and www.sballiancecapital.org . All applications must be submitted to:

SBalliance Capital
1110 Park Street
Beaumont, Texas 77701
409.838.6581 Office
409.833.6718 Fax

Incomplete applications will not be reviewed. If there are any questions regarding the Hurricane Ike Forgivable Loan Program, please call 409*838*6856 ext 300

Download an application at www.sballiancecapital.org or www.setedf.org

Cheryl Kizer at ckizer@bmtcoc.org or Jessica Hill at jhill@bmtcoc.org

DEADLINE TO SUBMIT ALL INFORMATION : JANUARY 8, 2010