HI EVERYONE.

WELCOME TO THIS SMALL BUSINESS

VIRTUAL WEBINAR BROUGHT TO YOU

BY SBA.

MY NAME IS ALEXA ELLIOT AND I'LL

BE THE MODERATOR FOR THIS

SESSION.

OUR PRESENTER IS ALEJANDRO

CONTRERAS.

WITH THE U.S. SMALL BUSINESS

ADMINISTRATION.

ALEJANDRO WILL BE PRESENTING

DISASTERS HAPPEN, HOW TO PREPARE

YOUR BUSINESS AND RECOVER.

BEFORE TURNING THE SESSION ON

OVER TO ALEJANDRO, I WOULD LIKE

TO MENTION JUST A FEW

HOUSEKEEPING DETAILS.

THIS WEBINAR SESSION WILL LAST

AN HOUR.

IT WILL INCLUDE TIME FOR Q & A.

IF YOU HAVE ANY QUESTIONS,

PLEASE SUBMIT THOSE AT ANY TIME

USING THE Q & A BOX ON THE

LEFT-HAND SIDE OF YOUR SCREEN.

PLEASE USE THE SAME BOX IF YOU

EXPERIENCE ANY TECHNICAL

DIFFICULTIES AND NEED

ASSISTANCE.

THIS IS A LIVE SESSION AND IS

BEING RECORDED.

A LINK TO THE RECORDING AND THE

SLIDE DECK WILL BE E-MAILED TO

ALL PARTICIPANTS.

NOW WE'LL BEGIN.

DISASTERS HAPPEN.

HOW TO PREPARE YOUR BUSINESS AND

RECOVER.

I WOULD LIKE TO BRING ALEJANDRO

ON THE LINE NOW TO BEGIN HIS

PRESENTATION.

>> THANK YOU, ALEXA.

WELCOME EVERYONE.

TODAY'S WORKSHOP WILL COVER HOW

TO MAKE PREPAREDNESS A PRIORITY

FOR YOU AND FOR YOUR BUSINESS.

LESSONS LEARNED FROM RECENT

DISASTER EVENTS.

HOW THE SBA DISASTER LOAN

PROGRAM CAN HELP, OTHER FORMS OF

ASSISTANCE FOR BUSINESSES, AND

HOW MITIGATION SAVES LIVES,

PROPERTY.

WE'RE GOING TO BE LOOKING AT

THREE DIFFERENT OVERARNLING

AREAS STARTING WITH

PREPAREDNESS, MOVING ON TO

RECOVERY, AND FINALLY ENDING

WITH MITIGATION.

I WANT TO START BY TALKING ABOUT

WHY IT'S IMPORTANT TO PRIORITIZE

PREPAREDNESS.

STARTING WITH YOUR BUSINESS.

THERE ARE STATISTICS THAT WE

HAVE FROM THE U.S. RED CROSS

PROGRAM.

APPROXIMATELY 15 TO 40% OF

BUSINESSES FAIL OR NEVER REOPEN

AFTER A DISASTER.

90% OF SMALL BUSINESSES HAVE A

MAJORITY OF CUSTOMERS WITHIN TWO

MILES OF THEIR ONLY LOCATION,

WHICH MAKES THEM EXTREMELY

VULNERABLE TO DISASTERS.

THE MEDIAN DAILY COST OF DOWN

TIME FOR SMALL BUSINESSES DUE TO

EXTREME WEATHER EVENTS ACROSS

THE COUNTRY IS APPROXIMATELY

$3,000 A DAY, BUT DEPENDING ON

YOUR AREA OR LOCATION, IT COULD

BE MUCH HIGHER.

94% OF SMALL BUSINESS OWNERS

BELIEVE A DISASTER COULD

SERIOUSLY DESTRUCT THEIR

BUSINESS WITHIN THE NEXT TWO

YEARS.

51% OF AMERICANS EXPERIENCED AT

LEAST ONE EMERGENCY SITUATION

WHERE THEY'VE LOST UTILITIES FOR

AT LEAST THREE DAYS, HAD TO

EVACUATE, OR COULDN'T RETURN

BACK TO THEIR HOME OR ACCESS

THEIR BUSINESS OR COULD NOT

COMMUNICATE WITH FAMILY MEMBERS

OR PROVIDE FIRST AID TO OTHERS.

THESE ARE THINGS THAT ARE

HAPPENING ACROSS THE COUNTRY ALL

OF THE TIME AND MANY BELIEVE ARE

PROBABLY HAPPENING AT AN

INCREASED RATE.

WHY IT'S IMPORTANT FOR YOUR

STAFF, ONLY TWO IN TEN AMERICANS

FEEL PREPARED FOR A CATASTROPHIC

EVENT.

CLOSE TO 60% OF AMERICANS ARE

WHOLLY UNPREPARED FOR A DISASTER

OF MY KIND.

ONLY ONE IN TEN AMERICAN

HOUSEHOLDS HAVE TAKEN THE

APPROPRIATE PREPAREDNESS STEPS

LIKE MAKING A FAMILY EMERGENCY

PLAN, PREPARING AND HAVING AN

EMERGENCY SUPPLY KIT, OR

TRAINING AND FIRST AID IN CPR.

AND THE U.S. RED CROSS FOUND

THAT 82% OF AMERICANS AGREE THAT

IF SOMEONE CAN MAKE IT EASIER

FOR THEM TO BE PREPARED, THEY

WOULD PROBABLY DO IT.

BUT SOME RESOURCES I WOULD LIKE

TO MAKE AVAILABLE TO YOU AND

MAKE YOU AWARE OF TO HELP GET

YOURSELF PREPARED, PREPARE YOUR

BUSINESS, AND PREPARE YOUR

EMPLOYEES IS, FIRST, LOOK AT THE

RED CROSS READY RATING.

GO AND ADVANCE ASSESSMENT TOOLS

AT READYRATING.ORG.

YOU CAN DOWNLOAD THE APP AND

SIGN UP FOR LOCAL ALERTS FOR ALL

OF YOUR MOBILE DEVISES SO THAT

WAY YOU'RE ALERTED RIGHT AWAY,

IN CASE OF ANY NATURAL DISASTER

EVENTS HAPPENING.

THEN YOU CAN ACCESS THE BUSINESS

PREPAREDNESS AND CONTINUITY TOOL

KITS AT READY.GOV AND

DISASTERSAFETY.ORG.

SOME WHAT WEATHER WE LOOK AT

PREPAREDNESS, IT'S IMPORTANT TO

KNOW DEPENDING ON WHERE YOU'RE

AT YOU MIGHT BE VULNERABLE TO

DIFFERENT TYPES OF HAZARDS.

FROM THE FBA DISASTER ASSISTANCE

PROGRAM STANDPOINT, WE LOOK AT

SOME MAJOR AREAS WE'VE SEEN

HISTORICAL EVENTS HAPPEN.

IN THE WINTER, PACIFIC NORTHWEST

FLOODS.

IN THE SPRING MIDWEST AND

SOUTHERN STATES FLOOD.

SUMMER AND FALL WILD FIRES

SEASON ON THE WESTERN COAST

STATES.

SO JUNE TO NOVEMBER 30th IS

HURRICANE SEASON.

SEPTEMBER IS NATIONAL

PREPAREDNESS MONTH SO YOU'LL

HEAR A LOT OF INCREASED

MESSAGING ABOUT PREPARING

YOURSELF AND YOUR BUSINESS FOR

DISASTERS IN THE MONTH OF

ACCEPT.

-- SEPTEMBER.

THIS IS SOMETHING YOU SHOULD

LOOK AT YEAR AROUND, ESPECIALLY

DEPENDING ON WHERE YOU LIVE.

THERE MAY BE SOME EVENTS THAT

AFFECT YOU MORE DIRECTLY AT A

DIFFERENT TIME OF YEAR.

ONE OF THE MOST IMPORTANT THINGS

I WOULD LIKE TO COVER WITH YOU

TODAY AND THE AREA OF

PREPAREDNESS IS CREATING A

PREPAREDNESS PLAN.

FIRST, LOOK AT ESTABLISHING A

COMMUNICATIONS PLAN.

SO SINCE THIS IS INTERNAL AND

EXTERNAL PURPOSES, YOU WANT TO

MAKE SURE THAT YOU CAN CONTACT

ALL OF YOUR STAFF AND EMPLOYEES,

FIRST, TO MAKE SURE THEY'RE SAFE

AND WELL, AND INFORM THOSE WITH

IMPORTANT UPDATES ABOUT THE

BUSINESS.

WHETHER THE DAMAGE TO THE

LOCATION.

SHOULD THEY REPORT TO THE

OFFICE, YOU KNOW, ARE THEY

NEEDED AS AN ALTERNATE SITE.

AND THE OTHER THING IS DO LOOK

AT HOW ARE YOU GOING TO

COMMUNICATE WITH YOUR VENDORS

AND YOUR CUSTOMERS?

YOU WANT TO MAKE SURE THAT YOUR

CUSTOMERS KNOW YOU'RE STILL OPEN

BUT YOU'RE IN AN AREA THAT WAS

HIT HARD BY A DISASTER BUT THEY

CAN PLACE ORDERS WITH YOU, IF

YOU'RE ABLE TO FULFILL THEM.

AND THEN THE OTHER THING IS

DESIGNATE A PRIMARY POINT OF

CONTACT WHO WILL HANDLE YOUR

COMMUNICATIONS WITH YOUR VENDORS

AND WITH YOUR CUSTOMERS.

WHO WILL LEAD THAT CHARGE?

WILL IT BE THE OWNER?

WILL IT BE YOUR MANAGER?

YOUR SUPERVISOR?

MAYBE YOU ACTUALLY HAVE A

COMMUNICATIONS PROFESSIONAL ON

STAFF.

SECOND, PROTECT YOUR DOCUMENTS.

SO IT USED TO BE WE WOULD TELL

BUSINESSES TO KEEP THEIR RECORD

IN AN ALTERNATE LOCATION 60 OR

MAYBE 100 MILES AWAY FROM

WHEREVER THEIR PHYSICAL LOCATION

WAS TO HELP PREVENT IT FROM

BEING DAMAGED OR LOST IN THE

CASE OF A FLOOD OR MAYBE A

TORNADO.

NOWADAYS WITH THE WONDERFUL

ELECTRONIC CAPABILITIES WE HAVE,

YOU CAN PUT THESE DOCUMENTS AND

SECURELY HAVE ACCESS TO THEM IN

THE CLOUD.

THAT'S AN OPTION MANY BUSINESSES

SHOULD LOOK AT.

THE GREAT THING ABOUT PROTECTING

YOUR DOCUMENTS AND HAVING THEM

ELECTRONICALLY, IF YOU ARE

DISPLACED AND YOU HAVE DAMAGE

WHERE YOU'VE LOST RECORDS,

THEY'RE EASILY ASSESSABLE.

REVIEW YOUR INSURANCE COVERAGE.

THIS IS SOMETHING THAT GOES NOT

JUST FOR BUSINESSES BUT ALSO FOR

ALL OF US INDIVIDUALS TO MAKE

SURE WE DO AN ANNUAL CHECK UP ON

OUR INSURANCE.

MAKE SURE WE'RE COVERED

SUFFICIENTLY FOR ALL KINDS OF

HAZARDS THAT MIGHT EFFECT US.

CREATE A SUPPLY CHAIN.

PLAN FOR AN ALTERNATIVE

LOCATION, WHICH MIGHT INCLUDE

HAVING A BACK UP SITE IN CASE

YOU'VE BEEN, YOU KNOW, STILL

REOPENED AND CONTINUE WITH A

MINIMAL OPERATIONS EVEN.

AND THE LAST PART IS PRACTICE

AND EXERCISE YOUR PLAN WITH YOUR

STAFF.

IT'S IMPORTANT TO MAKE IT

ROUTINE.

A REGULAR PRACTICE SO YOUR STAFF

AND YOURSELF WILL GET MUSCLE

MEMORY AND IT WILL BE THAT MUCH

EASIER WHEN SOMETHING DOES

HAPPEN.

SO THIS WEEK IS HURRICANE

PREPAREDNESS WEEK.

TODAY'S MESSAGE IS TO GET AN

INSURANCE CHECK UP.

WE ENCOURAGE EVERYONE TO CHECK

IN WITH THEIR INSURANCE AGENT

WELL BEFORE HURRICANE STARTS ON

JUNE 1st.

REMEMBER THAT FLOOD INSURANCE

MUST BE OBTAINED SEPARATELY FROM

YOUR REGULAR HAZARDS INSURANCE,

PAY YOUR HOME AND BUSINESS AND

VEHICLE ACCORDING TO YOUR POLICY

AND KNOW WHERE YOUR INSURANCE

DOCUMENTS ARE.

THINK ABOUT KEEPING THEM

ELECTRONICALLY SO YOU HAVE

ACCESS TO THEM NO MATTER WHERE

YOU END UP.

MOVING ON TO THE NEXT SECTION,

IN THE CASE AN EVENT HAPPENS,

AND AS WE MENTIONED IN THE TITLE

OF TODAY'S SESSION, IT'S NOT A

MATTER OF IF BUT MORE A MATTER

OF WHEN.

WE'RE GOING TALK ABOUT RECOVERY

AND WHAT IT MEANS FOR

BUSINESSES.

SO MANY OF YOU ARE PROBABLY

FAMILIAR WITH THE SBA'S MISSION

TO HELP SMALL BUSINESSES AND

ENTREPRENEURS START, GROW, AND

EXPAND THEIR SMALL BUSINESSES.

YOU MAY NOT REALIZE THAT THE S

BE, A HAS A DISASTER ASSISTANCE

MISSION TO PROVIDE AFFORDABLE,

TIMELY, AND ASSESSABLE FINANCIAL

ASSISTANCE TO BUSINESSES OF ALL

SIZES, PRIVATE NONPROFIT

ORGANIZATIONS, HOMEOWNERS AND

RENTERS FOLLOWING A DECLARED

DISASTER.

PROBABLY ABOUT 80% OF THE

DISASTER ASSISTANCE THAT SBA

PROVIDES FOLLOWING AN EVENT

ACTUALLY GOES TO HOMEOWNERS AND

RENTERS.

THERE'S A GROUP OF SURVIVORS

THAT WE HELP.

SO A LITTLE BIT ABOUT THE

SEQUENCE OF DELIVERY FOLLOWING A

DISASTER EVENT.

IN THE DISASTER WORLD, WE ALWAYS

SAY DISASTER STARTS AND ENDS

LOCALLY.

WHAT WE MEAN BY THAT IS THAT

FIRST RESPONDERS, LOCAL

OFFICIALS ARE THE FIRST ONES TO

RESPOND.

AND USUALLY THE LAST ONES THERE

ON THE GROUND.

VOLUNTARY AGENCIES ARE PROBABLY

GOING TO BE THE FIRST FORM OF

ASSISTANCE THAT MANY SURVIVORS

EXPERIENCE AND PROVIDING

SHELTER, DONATING GOODS AND

SERVICES, EVEN CASH TO --

DONATIONS.

AFTER THAT, WE ENCOURAGE

SURVIVORS TO MAKE INSURANCE

CLAIMS AS SOON AS POSSIBLE.

INSURANCE REALLY IS THE BEST

FORM OF RECOVERY ASSISTANCE.

IT'S ALSO THE MOST AFFORDABLE.

AND AS FAR AS FEDERAL RESOURCES

GO, THE FEDERAL EMERGENCY

MANAGEMENT AGENCY OR FEMA

PROVIDES INDIVIDUAL ASSISTANCE

GRANTS TO HOUSEHOLDS WHICH MAY

BE FOR RENTAL ASSISTANCE OR

HOUSING ASSISTANCE OR EVEN HOME

REPAIRS.

THE SBA DISASTER LOANS ARE ALSO

A GREAT RESOURCE TO HELP

PROPERTY OWNERS RECOVER.

AND THEN THERE'S ALSO A

COMMUNITY DEVELOPMENT BLOCK

GRANT FOR DISASTER RECOVERY

GRANT.

WHICH AREN'T ALWAYS AVAILABLE

BUT MAYBE FOR LARGER DISASTER

EVENTS.

THOSE ARE TYPICALLY COME

AVAILABLE FOR MONTHS OR YEARS

FOLLOWING AN EVENT.

AND THE LAST PART WOULD BE --

WHICH IS CASE MANAGEMENT WORK

THAT IS DONE TO HELP SURVIVORS

WHO MAYBE DIDN'T RECEIVE ENOUGH

ASSISTANCE FROM INSURANCE OR

FROM FEMA'S GRANT OR SBA

DISASTER LOANS.

A LITTLE BIT ABOUT HOW SBA

DISASTER OFFICERS ARE

STRUCTURED.

OUR HEADQUARTERS ARE IN

WASHINGTON, D.C.

WE HAVE SOME SUPPORT OFFICES IN

VIRGINIA.

OUR CUSTOMER SERVICE CALL CENTER

IS IN BUFFALO, NEW YORK.

OUR PROCESSING AND DISPERSEMENT

CENTER IS IN DALLAS-FT. WORTH,

TEXAS.

WE HAVE FIELD OPERATION CENTERS

IN SACRAMENTO, CALIFORNIA AND

ATLANTA, GEORGIA.

AND THESE OFFICES RESPOND TO ALL

OF THE DECLARED DISASTER EVENTS

ACROSS THE COUNTRY AND ITS U.S.

TERRITORIES.

SO SBA'S ROLE IN DISASTER

ASSISTANCE, SBA WAS CREATED IN

1953 AS AN INDEPENDENT AGENCY AT

THE FEDERAL GOVERNMENT AID

COUNSEL TO ASSIST AND PROTECT

THE SMALL BUSINESS CONCERNS.

TO MAINTAIN AND STRENGTHEN

OVERALL ECONOMY OF OUR NATION.

AND THE CREATION THE SBA HAS

APPROVED NEARLY $64 BILLION IN

DISASTER LOANS AND $2.2 BILLION

BUSINESSES, HOMEOWNERS, AND

RENTERS FOLLOWING AMERICA'S

WORST DISASTERS.

THEY HAD THEIR OWN DECLARATION

MAKING AUTHORITY FOR DISASTER

EVENTS THAT DO NOT RISE TO THE

LEVEL OF A MAJOR PRESIDENTIAL --

OR INDIVIDUAL SPECIFIC.

SO WE'RE ACTIVE THROUGHOUT THE

YEAR RESPONDING TO MANY SMALLER

SCALE DISASTER EVENTS.

A LITTLE BIT ABOUT THE MAJOR

DISASTER LOAN ACTIVITY THAT SBA

HAS RESPONDED TO OVER THE YEARS.

OUR LARGEST EVENT TO DATE WAS

FOR HURRICANE KATRINA IN 2005

ALONG THE GULF COAST.

WE APPROVED ALMOST $11 BILLION

IN DISASTER LOANS.

AFTER THAT, IT WAS A COUPLE OF

YEARS AGO IN 2017 WHEN WE

RESPONDED TO HURRICANE HARVEY,

IRMA, AND MARIA PROVIDING OVER

$17.3 BILLION.

IN 1994, THE CALIFORNIA

EARTHQUAKE WAS OVER $4 BILLION

AND THEN IN 2012 HURRICANE SANDY

WAS OVER $2.5 BILLION.

SO YOU CAN LOOK AT SBA DISASTER

LOANS IN THREE MAIN CATEGORIES.

THE FIRST ONE BEING THE HOME AND

PERSONAL PROPERTY.

SBA DISASTER LOAN ACTIVITIES

PROBABLY ABOUT 80 PERCENT OF IT

ENDS UP GOING TO HOMEOWNERS AND

RENTERS.

THAT'S MAINLY BECAUSE THERE'S A

MUCH GREATER VOLUME.

SO SBA PROVIDES UP TO $200,000

TO HOMEOWNERS TO HELP PREPARE OR

REPLACE THE PRIMARY RESIDENCE.

WE CAN ALSO PROVIDE UP TO

$40,000 TO HOMEOWNERS AND

RENTERS TO HELP REPLACE DAMAGED

OR DESTROYED PERSONAL PROPERTY,

INCLUDING VEHICLES.

THE DISASTER LOANS CAN GO OUT AS

FAR AS 30 YEARS IN ORDER TO HELP

KEEP THEM AFFORDABLE AND THE

INTEREST RATES ARE LOW.

CURRENTLY IN THIS QUARTER, THE

INTEREST RATE FOR HOMEOWNERS IS

1.938%.

LET THE PROPERTY SECURE THE

LOAN.

HOWEVER, A RENTER COULD GET UP

TO $40,000 ON UNSECURED EVEN IF

THEY DON'T OWN ANY COLLATERAL.

THE SECOND CATEGORY IS THE

BUSINESS PHYSICAL DISASTER LOAN.

AND WE CAN PROVIDE UP TO $2

MILLION TO HELP PREPARE OR

REPLACE BUSINESS PHYSICAL

LOSSES, INCLUDING REAL ESTATE,

MACHINERY AND EQUIPMENT,

INVENTORY, FURNITURE AND

FIXTURES.

TERMS CAN GO OUT AS 30 YEARS AND

THEY CAN KEEP THE PAYMENTS LOW.

AND THE LOWEST INTEREST RATE FOR

BUSINESSES IS 4%.

AND FOR NONPROFITS 2.75%.

AGAIN, SBA IS NOT A COLLATERAL

LENDER, HOWEVER, IF COLLATERAL

IS AVAILABLE AND THE LOAN IS

OVER $25,000, THEN THE BORROWER

WILL BE REQUIRED TO PLEDGE THAT

IN ORDER TO SECURE THE LOAN.

AND THE THIRD TYPE OF DISASTER

LOAN WE PROVIDE IS CALLED AN

ECONOMIC INJURY DISASTER LOAN.

THIS IS A CAPITAL LOAN WE CAN

PROVIDE TO SMALL BUSINESSES AND

MOST NONPROFITS IN ORDER TO HELP

THEM MEET THE NECESSARY

FINANCIAL OBLIGATIONS AND

EXPENSES THAT THE BUSINESS WOULD

HAVE PAID IF THE DISASTER HAD

NOT OCCURRED.

SO THE STATUTORY LIMIT FOR THE

FBA DISASTER LOAN PROGRAM IS $2

MILLION.

IT MEANS A SMALL BUSINESS CAN

GET ANY ACCOMMODATION OF

PHYSICAL DAMAGE OR ECONOMIC

INJURY UP TO $2 MILLION.

AGAIN, THE TERMS CAN GO OUT AS

FAR AS 30 YEARS.

INTEREST RATES ARE LOW AT 4% FOR

SMALL BUSINESSES AND 2.75% FOR

NONPROFITS.

THE SAME WITH THE COLLATERAL.

FOR COLLATERAL THEY CAN GET UP

TO $25,000 UNSECURED.

IT MEANS THAT A SMALL BUSINESS

COULD GET UP TO $25,000

UNSECURED FOR PHYSICAL LOSSES

AND AN ADDITIONAL $25,000

UNSECURED FOR ECONOMIC INJURY.

ALLOWING THEM UP TO $50,000

UNSECURED IN ORDER TO GET

ACCOMMODATION OF BOTH

CATEGORIES.

MOVING ON TO THE THIRD AND FINAL

SECTION OF MY PRESENTATION.

AND THAT'S MITIGATION.

SO WHAT WE WANT TO DO IS STRESS

TO BUSINESSES THE IMPORTANCE OF

MITIGATING YOUR PROFIT AGAINST

FUTURES.

ESPECIALLY IF YOU HAVE GONE

THROUGH A DISASTER, THIS IS A

GREAT TIME IF YOU'RE GOING

REBUILD TO REBUILD BACK STRONGER

AND MORE RESILIENT.

SO THE SBA HAS ADDITIONAL

ELIGIBILITY FOR MITIGATION.

SBA MITIGATION LOANS TO PROTECT

PROPERTY AGAINST FUTURE DAMAGE

INCLUDES BUT NOT LIMITED TO SOME

OF THE TYPES OF MEASURES.

TO REDUCE WIND AND WATER ENTRY,

RETAINING WATERS, SLOPE FAILURE

AND EROSION PROTECTION.

GRADING AND CONTOURING LAND.

ELEVATING FLOOD-PRONE

STRUCTURES, RELOCATING UTILITIES

FOR FLOODING AND EARTHQUAKE

MITIGATION.

RETROFITTING STRUCTURES, WHICH

CAN ADDRESS MANY DIFFERENT TYPES

OF NATURAL HAZARDS.

ALSO WILD FIRE PROTECTION.

FOR EXAMPLE, FIRE-RATED, MESH

COVERS.

AND ALSO INSTALLING OR

PURCHASING OR BUILDING SAFE

ROOMS AND STORM SHELTERS IS ALSO

AN IMPROVED TYPE OF MITIGATION

MEASURE.

A COUPLE OF THINGS TO REMEMBER

ABOUT SBA ASSISTANCE FOR

MITIGATION.

MITIGATION FUNDS ARE IN ADDITION

TO THE DISASTER LOAN.

THEY MAY NOT EXCEED 20% OF THE

TOTAL AMOUNT OF PHYSICAL DAMAGE

AS VERIFIED BY SBA.

BUT THAT MEANS IS WHATEVER THE

PHYSICAL LOSSES WERE THAT SBA

VERIFIED, THE APPLICANT COULD BE

ELIGIBLE FOR UP TO 20% OF THOSE

TOTAL PHYSICAL LOSSES.

TO DO SOME TYPE OF MITIGATING

MEASURE.

SO THAT COULD ACTUALLY BE

SUBSTANTIAL.

IF YOU HAD $100,000, IT COULD BE

ELIGIBLE FOR UP TO $20,000 FOR

MITIGATION.

THE BORROWERS HAVE UP TO TWO

YEARS TO REQUEST AN INCREASE TO

THE LOAN.

WHICH MEANS YOU DON'T HAVE TO

DECIDE ABOUT MITIGATION RIGHT

AWAY.

YOU COULD DECIDE TO DO IT LATER

MAYBE AS YOU'RE DOING THE

REBUILDING PROJECT.

ALL HAVE AN OVERALL LIMIT FOR

MITIGATION OF $200,000.

THAT'S SEPARATE FROM WHAT YOU'RE

ELIGIBLE FOR FOR THE HOME

REPAIRS LIMIT.

ALL BUSINESS LOANS HAVE AN

OVERALL LIMIT OF $2 BILLION.

YOU HAVE TO BE ABLE TO DO YOUR

REPAIRS AND THE MITIGATION

WITHIN THE SAME $2 MILLION

LIMIT.

THE AMOUNT FOR MITIGATION CAN

EXCEED THE LOAN AMOUNT FOR

REPAIR REPLACEMENT.

FOR EXAMPLE, IF YOUR LOSSES OR

MOSTLY COVERED BY INSURANCE,

YOUR ELIGIBILITY FOR MITIGATION,

BECAUSE IT'S BASED ON THE 20% OF

YOUR TOTAL PHYSICAL LOSSES,

COULD ACTUALLY EXCEED THE AMOUNT

YOU'RE BORROWING FROM SBA TO DO

THE REPAIRS.

WHICH MEANS THAT YOU COULD

ACTUALLY COME TO SBA TO DO

MONTHLY MITIGATION FOR MAYBE

ONLY A LITTLE BIT OF MONEY TO

COMPLETE THE REPAIRS.

SOP SOME INFORMATION ABOUT THE

STEPS WE FOLLOW.

STEP ONE, TO ALY FOR THE LOAN

AND YOU CAN APPLY ONLINE, IN

PERSON, IN FRONT OF THE DISASTER

CENTER OF SBA STAFF AFTER AN

EVENT.

WE HAVE A SECURE WEBSITE TO DO

THAT TO PROCESS THAT

APPLICATION.

STEP TWO IS THE SBA VERIFIES THE

PROPERTY DAMAGE.

YOU WOULD BE CONTACTED BY ONE OF

OUR VENDORS WHO WILL GO THROUGH

A SERIES OF QUESTIONS WITH YOU

ABOUT YOUR DISASTER LOSSES AND

ABOUT THE PROPERTY TYPE AND THEN

FROM THERE WE COME UP WITH AN

ESTIMATE OF WHAT THE TOTAL

DAMAGES ARE.

AND THEN WE BEGIN TO PROCESS THE

LOAN TO MAKE A CREDIT DECISION.

SO THE THIRD AND FINAL STEP TO

CLOSE THE LOAN AND MAKE A

DISPERSEMENT.

SO WE MAKE AN INITIAL

DISPERSEMENT UP TO THE UNSECURED

LOAN AMOUNT.

FOR PHYSICAL DAMAGE IT'S INITIAL

DISPERSEMENT OF $25,000.

IF YOU'RE A SMALL BUSINESS, AND

YOU HAVE WORKING CAPITAL FUNDS

APPROVED, YOU CAN GET AN

ADDITIONAL DISPERSEMENT FOR

ADDITIONAL $25,000.

AFTER THAT DISPERSEMENTS ARE

TYPICALLY MADE IN INCREMENTS

AFTER THE BORROW'S PROVIDE TO US

THE CONTRACTOR'S ESTIMATE AND

RECEIPTS SHOWING WHAT THE FUNDS

ARE BEING USED FOR AND THE

PROGRESS IS HAPPENING ON THEIR

RECONSTRUCTIONS.

VOM WE'RE GETTING CLOSE TO THE

END OF MY PRESENTATION.

I WANT TO LEAVE -- BEFORE I

LEAVE THE SLIDE, I WANTED TO

GIVE YOU SOME INFORMATION ABOUT

WHERE TO DIRECT QUESTIONS ABOUT

THE PROGRAM IN SOMETHING EVER

HAPPENS IN YOUR AREA IN THE

FUTURE.

THE PHONE NUMBER IS

1-800-659-2955.

YOU ALSO SUBMIT QUESTIONS VIA

E-MAIL TO

DISASTERCUSTOMERSERVICE@SBA.GOV.

SO IF THERE'S AN EVENT THAT

HAPPENS, YOU MAY WANT TO CALL OR

SEND AN E-MAIL ASKING ARE SBA

DISASTER LOANS AVAILABLE?

WAS THERE A DECLARATION MADE?

OR LET'S SAY, YOU KNOW, YOU HAVE

SPECIFIC QUESTIONS ABOUT THE

PROGRAM AND THE ELIGIBILITY YOU

COULD CALL WITH THOSE, AS WELL.

OR IF YOU APPLY AND YOU HAVE A

QUESTION ABOUT THE STATUS, YOU

CAN TYPICALLY HIT THE STATUS

UPDATE ONLINE TO LIKELY APPLY IT

ONLINE AND ALSO CALL THE 18800

NUMBER.

THERE'S A LOT OF INFORMATION ON

OUR WEBSITE AT SBA.GOV/DISASTER

ABOUT THE PROGRAM AND CURRENT

DISASTER EVENTS WE'RE RESPONDING

TO AND A NUMBER OF OTHER

PROGRAMS.

SO THAT'S THE END OF MY

PRESENTATION.

I WOULD LOVE TO TAKE YOUR

QUESTIONS.

I'LL HAND THAT OVER TO ALEXA SO

WE CAN GO INTO THE QUESTION AND

ANSWER PERIOD.

THANK YOU VERY MUCH.

>> OKAY.

WE'LL MOVE INTO THE Q & A

PORTION OF THE WEBINAR.

WE'LL DO OUR VERY BEST TO

ADDRESS JUST AS MANY QUESTIONS

AS POSSIBLE IN THE TIME

REMAINING.

IF WE ARE UNABLE TO ADDRESS YOUR

QUESTIONS DURING THIS LIVE

SESSION, I WOULD LIKE TO

ENCOURAGE YOU TO CONNECT WITH A

MENTOR AFTER THE WEBINAR IN THE

MENTORING HALL OR VISIT THE

EXHIBIT HALL TO CONNECT.

THE SBA TEAM AT THEIR BOOTH.

AS A REMINDER, WE'LL BE SENDING

OUT A LINK TO THE RECORDING AND

THE SLIDES IN A POST EVENT

E-MAIL.

SO WITH THAT, LET'S GO AHEAD AND

WE'LL TAKE THESE QUESTIONS HERE.

ALEX, WE'VE BEEN RECEIVING A LOT

OF GREAT QUESTIONS.

THE FIRST ONE COMES TO US FROM

DANIELLE WHO IS ASKING IF THERE

IS SOMEONE TO REVIEW HER

DISASTER PLAN.

>> >> THAT'S A GREAT QUESTION.

AND I'M GLAD TO HEAR THAT.

WE LOVE HEARING ABOUT BUSINESSES

THAT ARE PUTTING TOGETHER

DISASTER PLANS.

THERE'S A LOT OF RESOURCES OUT

THERE WHEN IT COMES TO DISASTER

PLANS AND PREPARING THEM.

I DON'T KNOW OF ANY ONE

PARTICULAR PROGRAM, OFFICE, OR

AGENCY WHOSE SOLE JOB IT IS TO

REVIEW YOUR PLAN AND GIVE YOU

FEEDBACK ON IT.

I CAN GIVE YOU SOME SUGGESTIONS.

FIRST, ONE I MENTIONED IN THE

EARLIER SLIDE.

THE AMERICAN RED CROSS READY

RATING.

AND THEY HAVE AN APPLICATION

THERE WHERE YOU CAN GO THROUGH A

SERIES OF QUESTIONS AND THEY

GIVE YOU A RATING AT THE END TO

TELL YOU HOW WELL PREPARED YOU

ARE.

THAT'S KIND OF A GOOD TEST TO

KIND OF LOOK AT SOME OF YOUR

PROVISIONS AND THINGS YOU HAVE

IN PLACE TO SEE HOW THEY MEASURE

UP.

YOU LOOK AT READY.GOV, THE

INSURANCE INSTITUTE FOR BUSINESS

AND SAFETY, AND, ALSO, ON SBA'S

WEBSITE WILL HAVE INFORMATION

ABOUT PREPAREDNESS PLANS.

YOU CAN LOOK AT WHAT THEY

SUGGEST AS FAR AS PUTTING

TOGETHER A PLAN AND WHAT YOU

HAVE TO MAKE SURE THERE ARE ANY

MAJOR GAPS.

I THINK WORKING WITH ONE OF THE

LOCAL RESOURCE PARTNERS IN YOUR

AREA AND THERE'S SOME GOOD ONES.

IN FACT, YOU KNOW, TODAY WE'RE

ON THE SCORE VIRTUAL CONFERENCE.

THE SCORE COUNSELLORS ARE REALLY

GREAT RESOURCE FOR BUSINESSES.

THEY PROVIDE FREE COUNSELLING

SERVICES.

SOME OF THEM WOULD BE PROBABLY

EXPERIENCED IN DEALING WITH THE

DISASTER PREPAREDNESS PLAN.

I WOULD REACH OUT TO YOUR LOCAL

SCORE OFFICE.

IF YOU DON'T HAVE A SCORE OFFICE

NEAR YOU, YOU KNOW, YOU CAN LOOK

AT THE OTHER BUSINESS

COUNSELLING SERVICES OUT THERE

LIKE THE SMALL BUSINESS

DEVELOPMENT CENTER OR WOMEN'S

BUSINESS CENTER AND AN REACH OUT

AND ASK THEM TO LOOK OVER THE

PREPAREDNESS PLAN WITH YOU AND

MAKE SURE YOU'RE HITTING THE

IMPORTANT POINTS.

>> THE NEXT QUESTION COMES WHAT

STEP SHE CAN TAKE TO PREPARE

WHEN SHE HAS AN E COMMERCE STORE

FRONT.

SHE SAID THAT HER SERVICE

PROVIDER MIGHT HAVE A NATURAL

DISASTER ISSUE OR PACKING EVENT.

WHAT RESOURCES CAN SHE PROTECT

HER BUSINESS IN THAT TYPE OF

THEIR -- SCENARIO.

>> WE'RE SEEING THIS A LOT.

IT'S A GROWING CONCERN FOR

BUSINESSES.

IT'S MORE AND MORE BUSINESSES

DONE ONLINE.

THERE'S SO MANY OPPORTUNITIES

FOR BUSINESSES TO START AND

GROW.

IN THE VIRTUAL SPACE NOT

NECESSARILY BROOKE AND MORTAR

STORE FRONT.

SO A COUPLE OF THINGS IT'S JUST

LIKE ANY PREPAREDNESS PLAN LIKE

AT THE INSURANCES YOU ARE HAVE.

WHAT WOULD IT COVER IF YOU ARE

ABLE TO GET IT?

WOULD IT COVER AN EVENT LIKE

YOU'RE DESCRIBING?

THERE'S A LOT OF PLANS FOR

CYBERSECURITY INSURANCE FOR

THOSE TYPES OF EVENTS, AS WELL.

IF YOU'RE NOT ABLE TO DO AN

INSURANCE OPTION FOR THAT, AT

LEAST HAVE SOME ALTERNATIVE

PROVIDER, YOU KNOW, ALREADY

IDENTIFIED THAT IF YOUR PROVIDER

GOES DOWN AS A RESULT OF SOME

OTHER EVENT, AND INDIRECTLY

AFFECTS YOU, CAN YOU EASILY AND

QUICKLY SWITCH TO ANOTHER

PROVIDER TO RESUME OPERATIONS AS

QUICKLY AS POSSIBLE.

WE LOOK AT ARE THE SAME THING

WITH SUPPLY CHAIN ISSUES FOR

OTHER BUSINESSES.

>> THE NEXT QUESTION HOW WOULD

YOU COMPLETE THE PREPAREDNESS

PLAN FOR A GLOBAL REMOTE SERVICE

BUSINESS WHERE YOU'RE THE ONLY

EMPLOYEE?

>> I WOULD LOOK AT A COUPLE OF

DIFFERENT THINGS.

ONE, A LITTLE BIT ABOUT WHAT WE

JUST MENTIONED.

YOU KNOW, WHAT WOULD YOU DO IF

THIS IS STRICTLY LIKE A CYBER

EVENT WHERE YOU HAVE A POWER

OUTAGE OR LOSS OF CONNECTIVITY.

DO YOU HAVE AN ALTERNATIVE WAY

OF GETTING BACK ONLINE AND IN

CONTACT WITH YOUR VENDORS AND

YOUR CUSTOMERS AND ABLE TO

RECEIVE AND RECEIVE ORDERS, MAKE

SALES, MAKE SHIPMENTS.

ALSO LOOK IF IT'S AFFECTING YOU

PERSONALLY.

DO YOU HAVE BACK UP.

ARE YOU ABLE TO MOVE CERTAIN

RESPONSIBILITIES AND THINGS TO

OTHER PEOPLE SO, YOU KNOW, I

REALIZE A LOT OF SMALL

BUSINESSES ARE JUST REALLY, YOU

KNOW, ONE PERSON OPERATED NOW.

IT MIGHT BE WORTHWHILE THINKING

ABOUT BRINGING ON A BACK UP.

DO YOU HAVE SOMEBODY ELSE WHO IS

TRAINED AND CAN RESPOND TO

E-MAILS, ACCEPT ORDERS, AND SIGN

FOR SHIPMENTS OR MAYBE EVEN JUST

COMMUNICATE THAT SOME OF THESE

THINGS NEED TO BE PUT ON HOLD

UNTIL WHEREVER THE DISRUPTION IS

RESOLVED.

YOU KNOW, THINK ABOUT THOSE

THINGS.

ONE OF THE THINGS, YOU KNOW, I

WANT TO MENTION ABOUT SBA'S

DISASTER LOAN PROGRAM WITH

RESPECT TO CYBERSECURITY AND

CYBER ATTACKS.

THAT ACTUALLY IS NOT ONE OF THE

TYPICAL TYPES OF EVENTS THAT WE

CAN RESPOND TO.

A LOT OF THE DISASTER EVENTS

THAT WE RESPOND TO HAVE TO BE

SET IN SO THEY'RE NATURAL

DISASTERS OR THEY MIGHT BE

MANMADE AND, YOU KNOW, FOR

EXAMPLE, LIKE A TERRORIST ATTACK

OR AN ENVIRONMENTAL DISASTER

LIKE AN OIL SPILL.

SOMETHING LIKE A CYBER ATTACK

HAS NEVER REALLY BEEN TESTED IN

OUR SYSTEM YET AS FAR AS A

REQUEST TO DECLARE IT.

SO WE DON'T REALLY KNOW IF WE

WOULD EVEN BE ABLE TO DECLARE IT

AND MAKE OUR DISASTER LOANS

AVAILABLE TO BUSINESSES.

I WOULD SAY THAT'S EVEN MORE

REASON THAT BUSINESSES SHOULD

LOOK AT CREATING A PREPAREDNESS

PLAN FOR THAT TYPE OF EVENT.

BECAUSE IF SOMETHING LIKE THAT

HAPPENS TO YOUR BUSINESS,

WHETHER IT'S JUST TO YOUR

BUSINESS OR IF IT'S WIDE SPREAD,

THERE'S A LOT MORE UNCERTAINTY

ABOUT WHETHER OR NOT PROGRAMS

LIKE SBA'S DISASTER LOAN PROGRAM

WOULD BE AVAILABLE TO YOUR

BUSINESS TO HELP YOU RECOVER.

IT JUST HASN'T BEEN TESTED YET.

SO ALL THE MORE REASON TO LOOK

AT A GOOD SOLID PREPAREDNESS

PLAN.

THANK YOU FOR THE QUESTION.

>> ALL RIGHT.

OUR NEXT QUESTION COMES TO US

FROM RONDA ASKING IF THESE LOANS

ARE ONLY FOR AFTER DISASTERS OR

ARE THEY PREVENT FOR PREVENTION,

ALSO.

>> GREAT QUESTION.

SO SBA'S DISASTER LOAN PROGRAMS

ARE ONLY POST DISASTER.

THEY'RE IN RESPONSE TO A

DISASTER EVENT THAT HAS BEEN

DE -- DECLARED.

CURRENTLY WE DO NOT HAVE

PREDISASTER LOANS.

TO HELP PROTECT THEIR BUSINESS.

SO RIGHT NOW IT'S THE SBA

DISASTER LOANS ARE ONLY

AVAILABLE AFTER A DISASTER HAS

HAPPENED.

ONE THING THAT'S GOOD TO POINT

OUT IN THIS QUESTION IS THAT

WHEN IT'S AVAILABLE AFTER A

DISASTER, THAT TIME, THE TIMING

OF WHEN THEY'RE AVAILABLE CAN

VARY FROM DISASTER TO DISASTER.

THERE'S A DECLARATION MAKING

PROCESS THAT HAS TO HAPPEN AFTER

AN EVENT OCCURS.

LET'S SAY, FOR EXAMPLE, THERE'S

A TORNADO.

AND THE GOVERNOR'S OFFICE IS

GOING TO REQUEST THAT FEMA AND

SBA WILL INSTRUCT THE STATE

OFFICIALS TO DO DAMAGE

ASSESSMENTS IN THE AREA.

TO ASSESS HOW MANY DAMAGED OR

DESTROYED STRUCTURES THERE ARE.

THAT WILL HELP THEM DETERMINE

WHAT TYPE OF A DECLARATION

THEY'LL QUALIFY FOR.

YOU KNOW, IT MIGHT BE THERE'S

ENOUGH DAMAGE TO QUALIFY FOR

MAJOR PRESIDENTIAL DISASTER

DECLARATION FROM FEMA BUT IT

MIGHT BE THERE'S NOT ENOUGH

DAMAGE THAT RISE TO THAT LEVEL.

THEY MIGHT PURSUE AN SBA

DECLARATION.

BUT DURING THAT TIME, THERE ARE

NO PROGRAMS AVAILABLE AS FAR AS

LONG-TERM RECOVERY PROGRAMS IN

BUSINESSES.

SO IT COULD BE DAYS.

IT COULD BE WEEKS.

IT COULD BE MONTHS BEFORE THE

EVENT IS ACTUALLY DECLARED AND

ASSISTANCE PROGRAMS ARE

AVAILABLE TO SURVIVORS AND

BUSINESSES.

THAT'S WHY WE ALWAYS STRESS TO

BUSINESSES, ESPECIALLY, TO HAVE

A PREPAREDNESS PLAN SO YOU CAN

WHETHER THAT STORM THAT INITIAL

RECOVERY PERIOD.

YOU AREN'T SURE WHEN THE

DECLARATION MIGHT COME AND THE

PROGRAMS ARE AVAILABLE.

IN LARGE EVENTS WHERE THERE'S A

LOT OF DAMAGE AND IT'S WIDE

SPREAD AND SEVERE, YOU KNOW,

THINGS LIKE HURRICANE MARIA, THE

CALIFORNIA WILD FIRES, HURRICANE

HARVEY.

THESE THINGS ARE TYPICALLY

DECLARED FAIRLY QUICKLY.

BUT IN MEDIUM AND SMALLER

EVENTS, AS FAR AS LIKE, YOU

KNOW, TALKING ABOUT THE TOTAL

SPECTRUM OF DISASTERS, IT COULD

TAKE SOME TIME FOR THE

GOVERNOR'S SAUFS OFFICE AND THE

STATEMENT TO DO THEIR ASSESSMENT

AND FEMA TO BE ABLE TO REVIEW

THOSE REQUESTS.

IT'S ON A CASE BY CASE BASIS.

THANK YOU.

>> NEXT QUESTION FROM DJ.

WHERE IS FLOOD INSURANCE

PURCHASED?

>> FLOOD SMART IS A GOOD

RESOURCE TO GO TO.

YOU SHOULD BE ABLE TO GET FLOOD

INSURANCE FROM YOUR AGENT.

THEY CAN GET IT FROM THE

NATIONAL FLOOD INSURANCE

PROGRAM.

SO YOU SHOULDN'T HAVE TO GO

THROUGH FLOODSMART.GOV.

YOU SHOULD BE ABLE TO GO TO YOUR

AGENT AND THEY SHOULD BE ABLE TO

DIRECT YOU TO THE RIGHT

RESOURCES OR PROVIDE IT TO YOU.

I DON'T WANT TO GET TOO FAR OUT

OF MY LANE AND EXPERTISE, BUT

FLOOD INSURANCE IS AVAILABLE TO

ANY PROPERTY OWNER THAT IS IN A

PARTICIPATING COMMUNITY.

SO MOST OF THE COUNTRY THAT IS

VERY FEW AREAS THAT AREN'T

PARTICIPATING IN THE NATIONAL

FLOOD INSURANCE PROGRAM.

IF YOU HAVE AN AGENT WHO TOLD

YOU YOU CAN'T BUY FLOOD

INSURANCE BECAUSE YOU'RE NOT IN

A FLOOD ZONE, THAT'S INCORRECT.

YOU KNOW, ALL IT MEANS IS IF

YOU'RE NOT A FLOOD ZONE, THAT

YOUR INSURANCE PREMIUM WOULD BE

LOWER BECAUSE YOU'RE AT A LOWER

RISK.

WHICH MEANS IT'S EVEN MORE

AFFORDABLE AND EVEN BETTER

BENEFIT TO YOU TO GET IT IT USED

TO BE IF YOU TOLD PEOPLE YOU'RE

IN A FLOOD ZONE YOU'RE IN A HIGH

RISK AND THAT'S WHO NEEDS TO GET

FLOOD INSURANCE.

AT LEAST THAT WAS THE MESSAGE

THAT WAS RECEIVED BY PROPERTY

OWNERS.

BUT NOW THE MESSAGE EXPANDS TO

IF YOU LIVE SOMEWHERE WHERE IT

RAINS, IT CAN FLOOD.

REGARDLESS IF YOU'RE IN A FLOOD

ZONE OR NOT, YOU SHOULD STRONGLY

CONSIDER GETTING FLOOD

INSURANCE.

SO THANK YOU, DJ, FOR ASKING

THAT QUESTION.

>> ALL RIGHT.

IF SMALL BUSINESSES HAVE PART OF

THEIR INVENTORY IN ANOTHER

LOCATION TO PROVIDE A BACK UP

PLAN TO GET UP AND RUNNING

SOONER FOR THE COMMUNITY WHERE

YOUR BUSINESS IS LOCATED.

>> THAT DEPENDS ON THE SMALL

BUSINESS AND THE TYPE OF

BUSINESSES THEY DO.

AND WHAT KIND OF INVENTORY IT

IS.

IF IT'S THE KIND OF THING YOU

CAN KEEP IN ANOTHER LOCATION AND

COST EFFECTIVE, YOU KNOW, IT'S

OUT OF HARM'S WAY FROM, YOU

KNOW, WHEREVER THE MOST

THREATENING HAZARDS ARE.

YOUR PRIMARY LOCATION IS IN A

HIGH RISK AREA BUT YOU HAVE

ACCESS TO A WAREHOUSE OR STORAGE

IN ANOTHER LOCATION YOU CAN KEEP

AND ACCESS IT BUT IT'S OUT OF

THE LESS RISK AREA, I WOULD SAY,

YOU KNOW, THAT'S GREAT.

IT MIGHT BE AN EXTRA EXPENSE

THEY CAN'T TAKE ON.

IN THAT CASE, I WOULD SAY LOOK

AT INSURING YOUR INVENTORY

SUFFICIENTLY.

A LOT OF TIMES WE SEE BUSINESSES

THEY START THE BUSINESS, THEY

GET INSURANCE, AND THE BUSINESS

GROWS.

THEY START EXPANDING AND

INVENTORY GROWS AND THEY DON'T

INCREASE THE INSURANCE COVERAGE

AMOUNT AND WHEN SOMETHING

HAPPENS, THEY'RE NOT COVERED FOR

AS MUCH AS THEY ACTUALLY WOULD

BE.

YOU WANT TO MAKE SURE YOU'RE

REGULARLY UPDATING YOUR

INSURANCE COVERAGES TO MAKE SURE

THEY'RE KEEPING UP WITH THE SIZE

OF THE BUSINESS.

THANK YOU FOR THAT QUESTION.

>> OKAY.

THE NEXT QUESTION.

THEY WOULD LIKE TO KNOW IF YOU

RECOMMEND IF YOU GO THROUGH A

BROKER VERSUS SEARCHING FOR A

PLAN ON MY OWN.

>> OH, YOU KNOW, I WOULD SAY,

AGAIN, I WOULD RECOMMEND YOU DO

WHAT IS BEST FOR YOU.

IT JUST DEPENDS ON THE BROKER.

IT DEPENDS ON HOW MUCH RESEARCH

YOU LIKE TO DO AND, YOU KNOW, IF

YOU'RE COMFORTABLE REVIEWING

THAT KIND OF THING.

I KNOW THERE'S PEOPLE OUT THERE

THAT HAVE GREAT INSURANCE

BROKERS WHO TRUST WHAT THEY TELL

THEM, AND THERE'S SOME BROKERS

WHO ARE TRULY LOOKING OUT FOR

THE LONG-TERM HEALTH OF THE

BUSINESS.

THERE ARE SOME WHO THINKING MORE

OF I CAN'T PRESENT MY CUSTOMER

OR CLIENTS WITH MORE EXPENSES

AND THINGS.

THEY'RE TRYING TO KEEP THE COST

DOWN.

THEY MIGHT BE COMING FROM A GOOD

PLACE THINKING THEY'RE HELPING

YOU BUT THEY MIGHT BE ACTUALLY

PREVENTING YOU FROM COVERING

YOURSELF ADEQUATELY.

IN THOSE CASES, I WOULD SAY YOU

PROBABLY WOULD BE BETTER SERVED

DOING THE RESEARCH ON YOUR OWN.

YOU ARE ALL SMALL BUSINESSES.

YOU'RE USED TO DOING THE

RESEARCH YOURSELF.

I WOULD SAY, YOU KNOW, REACH OUT

TO YOUR BROKER.

VALIDATE IT.

FOLLOW IT UP WITH YOUR OWN

RESEARCH SO WHEN YOU GO TO ASK

THEM QUESTIONS, YOU'RE AT LEAST

A LITTLE BIT EDUCATED ON WHAT IS

AVAILABLE OUT THERE.

>> OKAY.

NEXT QUESTION COMES FROM ANDREA

WHO IS ASKING IF DISASTER

PREPAREDNESS IS TAX DEDUCTIBLE.

>> THAT'S AN INTERESTING

QUESTION.

GRAND CANYON DISASTER

PREPAREDNESS IS A DEDUCTIBLE IN

YOUR FEDERAL TAXES AS A BUSINESS

EXPENSE BUT I KNOW THERE ARE

SEVERAL STATES THAT HAVE SORT OF

LIKE TAX HOLIDAYS FOR BUSINESS

PREPAREDNESS PURCHASES.

THEY HAVE TAX HOLIDAYS.

I THINK FLORIDA AND TEXAS ARE

TWO PLACES THAT HAVE THEM.

SO, YOU KNOW, YOU SHOULD, YOU

KNOW, IF YOU HAVE A TAX PREPARER

OR ACCOUNTANT OR CPA WHO HELPS

PREPARE YOUR TAXES, ASK THEM

THAT.

IF NOT, CHECK WITH YOUR STATE

TAX OFFICE.

THERE ARE DEFINITELY A FEW

STATES THAT HAVE THOSE PROGRAMS

ALREADY.

IF YOU'RE A SMALL BUSINESS,

DEFINITELY TRY TO TAKE ADVANTAGE

OF THOSE.

>> OTHER THAN FUNDING SOURCES --

DO YOU ASSIST IN DEVELOPING

EFFECTIVE PLANS SUCH AS FOR THE

SITUATION?

>> SO, SBA OFFICE OF DISASTER

ASSISTANCE ARE OUR CORE PROGRAM

IS LOANS TO HELP REPAIR AND

REPLACE DAMAGED PROPERTY AND

LOANS FOR WORKING CAPITAL OR

ECONOMIC ENTRY, WE CALL THEM.

FROM MY EXPERIENCE, WORKING WITH

A LOT OF FEDERAL AND STATE

PARTNERS AND EMERGENCY

MANAGEMENT AND RESPONSE THAT THE

STATE OFFICES ARE ALSO A GOOD

RESOURCE.

LOOK AT YOUR STATE EMERGENCY

MANAGEMENT OFFICE.

DEPARTMENTS OF PUBLIC SAFETY,

AND LAW ENFORCEMENT.

A LOT OF THEM HAVE PROGRAMS ON

HOW TO CREATE PLANS.

HOW TO RUN DRILLS, HOW TO

PREPARE YOUR EMPLOYEES FOR THOSE

KINDS OF THINGS.

THAT IS SOMETHING THAT DOESN'T

REALLY FALL UNDER THE DISASTER

ASSISTANCE AREA.

IT'S DEFINITELY A CONCERN FOR

SMALL BUSINESSES.

THANK YOU FOR ASKING THAT

QUESTION.

>> OKAY.

THE NEXT QUESTION COMES TO US

FROM KENDRA.

CAN I REAPPLY WITH MY

CIRCUMSTANCES CHANGE OR IS THERE

A WAITING PERIOD?

>> OKAY.

SO THANK YOU.

VERY GOOD QUESTION.

YOU CAN APPLY.

WE TYPICALLY DON'T CONSIDER IT

REAPPLYING YOU'RE MORE

REQUESTING A RECONSIDERATION OF

OUR DECISION OR APPEALING OUR

DECISION.

WE GIVE APPLICANTS UP TO SIX

MONTHS TO GENERALLY COME BACK

AND ASK FOR RECONSIDERATION.

IF IT RESULTS IN A SECOND

DECLINE DECISION, THEN WE'LL

GIVE THEM 60 DAYS TO COME

BACK -- EVER -- I'M SORRY 30

DAYS TO ASK FOR A SECOND OR

THIRD DECISION ON THAT.

>> OKAY.

THE NEXT QUESTION COMES TO US

FROM LORRAINE AND WANTING TO

CLARIFY IF THE 2 MILLION LOAN TO

BUSINESSES MUST BE SECURED

EXCEPT FOR THE FIRST $50,000.

>> YES.

IT DEPENDS ON WHAT COLLATERAL IS

AVAILABLE.

FOR LOAN AMOUNTS OVER CERTAIN

DOLLAR AMOUNTS, IF COLLATERAL IS

AVAILABLE.

WE HAVE TO USE IT TO SECURE THE

LOAN.

SO A SMALL BUSINESS COULD GET

$50,000 UNSECURED, EVEN IF THEY

DO HAVE COLLATERAL AVAILABLE.

25 OF THAT WOULD BE FOR PHYSICAL

DAMAGES.

25 WOULD BE FOR WORKING CAPITAL.

THAT'S HOW YOU GET UP TO THE

$50,000.

ANY AMOUNT OVER THAT THEY HAVE

TO DO THAT.

AND THEN THE $2 MILLION IS JUST

OUR LEGISLATIVE LIMIT BUT WE

HAVE THE ABILITY TO GO OVER THAT

IN SOME CASES.

THE BUSINESS HAS BEEN TO BE A

MAJOR SOURCE OF EMPLOYMENT TO

GET A WAIVER TO GO OVER $2

MILLION BUT WE HAVE DONE IT IN

THE PAST.

THANK YOU.

>> REFERENCING LITIGATION WHEN

THE PROCESS STARTS, WILL IT

CONSISTENT FOR THE LOAN BALANCE

AND THE MITIGATION COSTS?

>> YES.

SO MITIGATION IS NOT REALLY --

IT'S NOT A SEPARATE LOAN.

IT'S ADDITIONAL ELIGIBILITY THAT

WE CAN ADD TO THE LOAN AMOUNT.

LET'S SAY WE MAKE AN INITIAL

LOAN APPROVAL OF, YOU KNOW,

$100,000 TO A BUSINESS TO DO

REPAIR THE STORE, REPLACE

INVENTORY, REPLACE EQUIPMENT,

AND THEN, YOU KNOW, LET'S SAY

THEY GET, YOU KNOW, THEY GET THE

DISPERSEMENT ON THAT AND BEFORE

WE'RE FINISHED MAKING ALL OF THE

DISPERSEMENTS, OR AT SOME POINT

THE BUSINESS COMES BACK TO US

AND SAID I WOULD LIKE TO

INCREASE MY LOAN, BECAUSE I HAVE

SOME THINGS I WANT TO DO TO HELP

PROTECT ME AGAINST THE NEXT

STORM.

I WANT TO PUT IN STORM PROOF

WINDOWS, SHUTTERS.

I WANT TO, YOU KNOW, SEAL THE

ROOF DECK OF MY STORE TO PREVENT

WATER FROM COMING IN.

I WANT TO ELEVATE THE UTILITIES

OR RELOCATE THEM SO WE KNOW THEY

DON'T GET ANY FLOODING SINCE

THEY'RE AT THE GROUND LEVEL.

WE'LL LOOK AT THEIR PLAN AND

REVIEW IT AND CAN INCREASE THE

LOAN UP TO WHATEVER THEY'RE

ELIGIBLE FOR.

IT JUST CHANGES THE TERMS OF THE

LOAN.

SO WE SEE THE DISASTER LOANS

CHANGE OFTEN THROUGH THE

DISPERSEMENT PERIOD AND THROUGH

SOMETIMES EVEN THE REPAYMENT

PERIOD.

THERE'S A LOT OF THINGS

HAPPENING.

I TELL PEOPLE, YOU KNOW, IF YOU

HAVE GONE THROUGH A REMODEL OR A

HOME RENOVATION, YOU KNOW THAT

THE INITIAL QUOTE YOU GET IS

OFTEN NOT WHAT THE FINAL COST

ENDS UP BEING.

THE DISASTER LOANS ARE JUST LIKE

THAT.

WE DO AN INITIAL ESTIMATE ON

WHAT YOUR DAMAGES ARE.

BUT THAT'S BEFORE YOU GET A

CONTRACTOR.

THAT'S BEFORE YOU START PUTTING

ANYTHING BACK TOGETHER

REBUILDING AND RECONSTRUCTING

EVERYTHING.

THERE COULD BE OPPORTUNITIES TO

MITIGATE WHICH MIGHT INCREASE

THE TOTAL AMOUNT.

AND THERE ALSO, YOU KNOW, YOU

MIGHT GET ASSISTANCE FROM

ANOTHER SOURCE.

YOU MIGHT GET INSURANCE.

YOU MIGHT HAVE SOME OTHER GRANT

PROGRAM.

THERE MIGHT BE SOME PROGRAM THAT

IS OFFERING FREE LABOR OR

MATERIALS OR DONATED SERVICES.

IT MIGHT REDUCE THE AMOUNT OF

LOAN ASSISTANCE YOU NEED.

ALL OF THOSE THINGS COULD AFFECT

THE OVERALL LOAN AMOUNT.

>> THE NEXT QUESTION ASKING WHAT

IS THE MITIGATION LOAN?

>> YEAH, SO A LOT OF PEOPLE ARE

NOT FAMILIAR WITH MITIGATION.

YOU KNOW, IT'S A TERM WE USE.

IN FEDERAL RECOVERY PROGRAMS A

LOT BUT WHAT IT MEANS IS SOME

TYPE OF A PROJECT THAT YOU DO TO

PROTECT YOUR PROPERTY AGAINST

FUTURE DAMAGE.

SO, FOR EXAMPLE, YOU KNOW, IF

THERE'S A HOME NEAR THE

COASTLINE AND BEEN THERE FOR A

LOT OF YEARS, AND IT TAKES ON

SOME FLOODING FROM A STORM, WHEN

THEY REBUILT THAT, ONE

MITIGATION MEASURE THEY MIGHT DO

IS TO ELEVATE THE HOME.

TO RAISE EVERYTHING UP THAT

WOULD BE ON THE FIRST FLOOR

LIVING SPACE HIGHER.

THAT WAY IF THERE'S ANOTHER

FLOOD, AT LEAST THERE WILL BE A

COUPLE OF FEET ABOVE THE BIG

FLOOD ELEVATION TO PREVENT WATER

FROM GETTING INTO THE FIRST

FLOOR BECAUSE ONCE WATER GETS

INTO THERE, YOU KNOW, IT IS

GOING TO CAUSE SERIOUS DAMAGE.

AN INCH OR TWO OF WATER CAN COST

TENS OF THOUSANDS OF DOLLARS OF

DAMAGE.

THAT'S JUST ONE EXAMPLE.

THERE'S IT'S CLEARING OUT DRY

BRUSH, PUTTING MESH IN FRONT SO

THAT WAY EMBERS DON'T GET INTO

THE ATTIC SPACE AND CATCH FIRE

INSIDE THE HOUSE.

ACCELERATING THE FIRE TO THOSE

STRUCTURE.

YOU KNOW, IT COULD BE

STRENGTHENING THE ROOF

CONSTRUCTION AND SEALING THE

ROOF DECKS SO WATER DOESN'T

ENTER INSIDE.

>> HOW LONG AFTER A DISASTER DO

YOU HAVE TO APPLY FOR A LOAN?

>> OKAY.

SO I KIND OF LIKE TO EXPLAIN A

LITTLE BIT ALREADY HOW ONCE

THERE'S A DISASTER EVENT THE

DECLARATION DOESN'T HAPPEN RIGHT

AWAY ALL THE TIME.

LET'S MOVE WHEN IT'S DECLARED TO

HOW LONG SOMEBODY HAS TO APPLY.

TYPICALLY 60 DAYS TO APPLY FOR

PHYSICAL DAMAGES.

THAT'S THE SAME IN A

PRESIDENTIAL DECLARATION HOW

LONG DO YOU HAVE TO REGISTER

WITH FEMA.

IN 60 DAYS.

SO, YOU KNOW, WE'RE ENCOURAGING

SURVIVORS WHETHER IT'S

HOMEOWNERS, RENTERS, OR

BUSINESSES TO APPLY RIGHT AWAY.

YOU DON'T WANT TO WAIT UNTIL

THAT 60 DAYS COMES UP OR WHEN

YOU, YOU KNOW, YOU'RE UP AGAINST

SOME IMPORTANT TIME LINES TO

THEN START TO THE PROCESS TO

APPLY.

APPLY EARLY.

FIND OUT WHAT YOU'RE ELIGIBLE

FOR, AND THEN YOU CAN AT LEAST

MAKE SOME EDUCATED DECISIONS

ABOUT, YOU KNOW, HOW TO FUND

YOUR RECOVERY.

IF YOU DON'T QUALIFY FOR A

DISASTER LOAN, YOU WANT TO KNOW

THAT, AS WELL.

AND START LOOKING AT OTHER

OPTIONS.

JUST BECAUSE YOU APPLY, EVEN IF

YOU'RE APPROVED, IT DOESN'T MEAN

SO YOU TO ACCEPT THE LOAN.

WE DON'T PRESSURE SURVIVORS TO

TAKE THE LOAN IF THEY ARE

APPROVED.

WE WANT TO APPROVE AS MANY AS WE

CAN, BUT THAT WAY THE FUNDS ARE

AVAILABLE TO SURVIVORS WHEN THEY

NEED IT.

THAT WAYS IT HELP SPEED UP THE

RECOVERY.

HELPS SPUR THE ECONOMIC RECOVERY

IN THAT COMMUNITY.

I SHOULD MENTION ONE OTHER

DEADLINE FOR ECONOMIC INJURY.

IT'S A WORKING CAPITAL LOAN WE

PROVIDE TO SMALL BUSINESSES.

THAT DEADLINE IS NINE MONTHS.

SO A MUCH LONGER DEADLINE TO

APPLY FOR WORKING CAPITAL.

AND THE MAIN REASON IS

BUSINESSES WILL EXPERIENCE THE

NEED FOR WORKING CAPITAL IN

DIFFERENT WAYS AT DIFFERENT

TIMES.

SOME MIGHT HAVE A SITUATION

THEY'RE ABLE TO KEEP PAYING

THEIR REGULAR OBLIGATION AT THE

INITIAL RECOVERY PERIOD BUT THE

DISRUPTION MIGHT NOT BE FELT

UNTIL A MONTH LATER AND THAT

MIGHT BE WHEN THEY NEEDED, YOU

KNOW, TO THINK ABOUT BUSINESSES

THAT ARE MORE SEASONAL WHEN THEY

HAVE, YOU KNOW, LIKE THE HOLIDAY

SEASON COMES IN AND THE DIASTER

HAS AFFECTED THAT.

IT MIGHT NOT BE UNTIL THE

HOLIDAY SEASON WHEN THEY FEEL

THE IMPACT.

FOR ECONOMIC INJURY WE HAVE A

LONGER APPLICATION PERIOD.

NINE MONTHS.

OUR NEXT QUESTION WOULD LIKE TO

KNOW IF YOU CAN TALK ABOUT HOW

THE ECONOMIC INJURY IS

QUALIFIED.

WHAT KIND OF BUSINESS EXPENSES

CAN THE ECONOMIC INJURY DISASTER

LOAN BE FOR?

>> RIGHT.

ECONOMIC INJURY WE USUALLY

CONSIDER THOSE REGULAR BUSINESS

OBLIGATIONS THAT THE BUSINESS

WOULD HAVE HAD TO MEET HAD THE

DISASTER EVENT NOT OCCURRED.

IN TALKING ABOUT, YOU KNOW,

PAYMENTS AND PAYMENTS ON NOTES

FOR, YOU KNOW, LOANS THAT MIGHT

HAVE TAKEN OUT TO PURCHASE THE

EQUIPMENT, A PAYROLL, ANY OF THE

UTILITIES THEY'RE USING.

REGULAR SHIPMENTS AND SUPPLIES

THEY HAVE COMING IN.

ALL OF THOSE THINGS ARE REGULAR

BUSINESS EXPENSES.

IT'S NOT INTENDED TO REPLACE

LOST PROFIT.

JUST TO KEEP THAT IN MIND.

ONE OF THE THINGS WE LOOK AT IS

THE PREVIOUS MONTHS AND YEARS OF

SALES FIGURES.

IT'S KIND OF THE, YOU KNOW, WHAT

WAS THE BUSINESS REVENUE COMING

IN MONTH TO MONTH AND THEN

THAT'S HOW WE DETERMINE HOW MUCH

IN ECONOMIC INJURIES THEY MIGHT

NEED OR BE ELIGIBLE FOR.

THAT'S A GOOD QUESTION.

THANK YOU.

>> ALL RIGHT.

WE'VE GOT TIME FOR ONE LAST

QUESTION HERE.

MAYBE TWO.

IF A REGION IS DISASTER AREA.

IS THERE A CONTACT NUMBER OR A

PLACE TO GO?

YEAH.

>> IF IT'S AN AREA SBA IS

PROVIDING ASSISTANCE TOW.

YOU CAN FIND IT ON THE SBA

WEBSITE.

I WOULD SAY, LIKE, START BY

GOING TO SBA.GOV/DISASTER.

WHEN YOU GET TO THAT PAGE,

THERE'S GOING TO BE A LINK THERE

TO APPLY FOR ASSISTANCE.

CLICK ON THAT AND IT'LL TAKE YOU

TO THE DISASTER LOAN PORTAL.

IN THERE, THIS IS WHERE ALL THE

DISASTER SURVIVORS WHEN THEY'RE

READY TO APPLY.

THERE'S AN EXTRA FEATURE IN THE

PORTAL WHICH ACTUALLY LIFTS THE

ACTIVE DISASTER DECLARATION

AREA.

YOU CAN CLICK ON THAT AND SEARCH

BY YOUR ZIP ROAD OR BY YOUR

COUNTY AND THEN IT'LL BRING YOU

UP -- IT'LL BRING UP FOR YOU A

LIST OF DECLARED DISASTER EVENTS

FOR THOSE AREAS.

YOU CAN ACTUALLY SEE, YOU KNOW,

ARE THERE ANY DECLARED DISASTER

EVENTS FOR SOMETHING THAT MIGHT

HAVE AFFECTED ME.

LET'S SAY I HAD DAMAGE FROM A

SEVERE STORM THAT PASSED

THROUGH.

I DON'T KNOW IF IT WAS DECLARED

OR NOT.

YOU CAN LOOK IT IN THERE.

LET'S SAY YOU'RE A BUSINESS AND

FEELING ECONOMIC IMPACTS FROM,

YOU KNOW, SOMETHING NOT AS WELL

COVERED OR AS DRAMATIC MAYBE A

DROUGHT.

>> OKAY.

THOSE ARE ALL THE QUESTIONS WE

HAVE TIME FOR DURING THIS

SESSION.

I WOULD LIKE TO THANK YOU FOR

ATTENDING THIS WEBINAR AND THANK

YOU TO ALEJANDRO FOR PRESENTING

WITH US, AS WELL.

THANK YOU SO MUCH.

>> THANK YOU SO MUCH FOR HAVING

ME!

>> AS A REMINDER, THE RECORDING

OF THIS SESSION WILL BE SENT OUT

IN AN E-MAIL ALONG WITH THE

SLIDE DECK.

YOU CAN ALSO ACCESS THE ON

DEMAND RECORDINGS HERE RIGHT

WITHIN THE VIRTUAL CONFERENCE

ENVIRONMENT.

WE HOPE YOU WILL ENJOY THE REST

OF THE VIRTUAL CONFERENCE.

TALKING WITH MENTORS AND THE

MENTORING HALL NETWORKING WITH

OTHER BUSINESS OWNERS IN THE

NETWORKING LOUNGE AND CHATTING

WITH INDUSTRY EXPERTS AND THE

SBA TEAM IN THE EXHIBIT HALL.

FREE RESOURCES ARE AVAILABLE

THERE, AS WELL.

I WANT TO THANK YOU FOR THE 2019

NATIONAL SMALL BUSINESS WEEK

VIRTUAL CONFERENCE.

TAKE CARE.