



# Louisiana Small Business Development Centers

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318-342-5506 [www.lsbdc.org](http://www.lsbdc.org)

## Resources and Assistance for Small Business



### Louisiana Department of Economic Development

<http://www.led.state.la.us> or (225) 342-3000 / 1-800-450-8115

**Business Relocation Information:** For information on temporary business relocation or financial assistance, send an email to [katrinabizhelp@la.gov](mailto:katrinabizhelp@la.gov). LED representatives will respond to inquiries and help businesses find the resources they need.

**Available Properties:** This web portal lists properties that are immediately available for business relocation. [www.accesslouisiana.com](http://www.accesslouisiana.com)

The Louisiana Small Business Development Centers are ready to assist small businesses by providing business counseling services and loan preparation assistance. The SBDCs will help businesses fill out SBA Disaster Loan applications and help them identify other loan products that may be available. There are nine SBDCs open. To locate a center near you go to [www.lsbdc.org](http://www.lsbdc.org) or call (985)549-3831.

**Bridge Funding and Interim Financing for Business:** LED is working with the state and federal government to identify sources of bridge funding and financing, including loans and grants for impacted businesses. All impacted businesses are encouraged to complete the disaster assistance request forms, found at [www.fema.gov](http://www.fema.gov), and to start the application process for federal disaster loans administered by the Small Business Administration.

**Insurance related issues** LA Dept of Insurance [www.ldi.state.la.us/HurricaneKatrina.htm](http://www.ldi.state.la.us/HurricaneKatrina.htm)  
Companies unable to get their insurance records should call the Dept of Insurance Hotline 1-800-259-5300

### Banking and financial institution information

Louisiana Office of Financial Institutions: [www.ofi.state.la.us/index.htm](http://www.ofi.state.la.us/index.htm) or (225) 925-4660

### Employee assistance and employment information including unemployment

Louisiana Department of Labor: [www.ldol.state.la.us](http://www.ldol.state.la.us) or (225) 342-3111.

### Disaster unemployment assistance for self-employed

Financial assistance to individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster declared by the President of the United States. Before an individual can be determined eligible for Disaster Unemployment Assistance, it must be established that the individual is not eligible for regular unemployment insurance benefits (under any state or federal law). The program is administered by states as agents of the federal government.

[workforcesecurity.doleta.gov/unemploy/disaster.asp](http://workforcesecurity.doleta.gov/unemploy/disaster.asp)

### USDA Natural Disaster Assistance

The U.S. Department of Agriculture (USDA) provides many types of assistance to farmers and other rural residents, as the result of natural disasters such as drought, fire, flood, storm, earthquake, hurricane, tornado, and volcanic eruption. There is also assistance available to producers who suffer losses as a result of crop or livestock disease or pest infestation.

[http://disaster.usda.gov/hurricane\\_jump.htm](http://disaster.usda.gov/hurricane_jump.htm)

The LSBDC Program is supported by the U. S. Small Business Administration, Louisiana Economic Development, and the participating universities. Services are extended to the public on a nondiscriminatory basis. SBA cannot endorse any products, opinions, or services of any external parties or activities.

**U. S. Small Business Administration**



***U.S. Small Business Administration Ready To Assist Victims of Katrina***

August 30, 2005

SBA offers loans up to \$200,000 to repair disaster damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans to businesses of all sizes and non-profit organizations are available up to \$1.5 million to repair damage to real estate, machinery, equipment and inventory. Economic Injury Disaster Loans (EIDLs) are also available to small businesses unable to pay bills or meet operating expenses.

Residents and business owners in the affected areas can begin the disaster application process by registering online with FEMA at [www.fema.gov](http://www.fema.gov), or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired.

**SBA Notice of Presidential declaration of major disaster for state of Louisiana** dated 08/29/2005: <http://www.sba.gov/disasterarea2/LA101760805.pdf>

Federal disaster assistance from the SBA may be available to residents and businesses in the portions of Louisiana affected by Hurricane Katrina.

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

**Primary Parishes:**

Acadia	Lafayette	St. Martin
Ascension	Lafourche	St. Mary
Assumption	Livingston	St. Tammany
Calcasieu	Orleans	Tangipahoa
Cameron	Plaquemines	Terrebonne
East Baton Rouge	Pointe Coupee	Vermillion
East Feliciana	St. Bernard	Washington
Iberia	St. Charles	West Baton Rouge
Iberville	St. Helena	West Feliciana
Jefferson	St. James	
Jefferson Davis	St. John the Baptist	

**Contiguous Parishes:**

Allen	Beauregard	Evangeline
Avoyelles	Concordia	St. Landry

For local assistance with completion of loan application and questions, contact:

**Louisiana SBDC State Office**

Phone: (318) 342-5506

E-mail: [lsbdc@ulm.edu](mailto:lsbdc@ulm.edu)

Website: [www.lsbdc.org](http://www.lsbdc.org)

**For direct SBA assistance, contact 1-800-659-2955 or (TTY) (800) 877-8339.**

Homeowners or renters applying for home disaster loans must register with the Federal Emergency Management Agency to obtain a FEMA Registration ID Number by going online at <http://www.fema.gov/register.shtm> or calling 1-800-621-3362. The speech or hearing impaired may call (TTY) 1-800-462-7585. Businesses may apply directly to the SBA.

Submit completed loan applications to:  
U.S. Small Business Administration  
Disaster Area Office 3  
14925 Kingsport Road  
Fort Worth, TX 76155

**Learn More About How to Apply for SBA Disaster Loan Assistance** after a Declared Disaster at: [http://www.sba.gov/disaster\\_recov/loaninfo/dloanassit.html](http://www.sba.gov/disaster_recov/loaninfo/dloanassit.html)

## **SBA Disaster Loans**

### **Types of Disaster Loans**

Home Disaster Loans. Loans to homeowners or renters to repair or replace disaster damages to real estate or personal property owned by the victim. Renters are eligible for their personal property losses.

Business Physical Disaster Loans. Loans to businesses to repair or replace disaster damages to property owned by the business, including real estate, machinery and equipment, inventory and supplies. Businesses of any size are eligible. Non-profit organizations such as charities, churches, private universities, etc. are also eligible.

Economic Injury Disaster Loans (EIDL). Loans for working capital to small businesses and small agricultural cooperatives to assist them through the disaster recovery period. EIDL assistance is available only to applicants with no Credit Available Elsewhere - if the business and its owners cannot provide for their own recovery from non-government sources.

### **Credit Requirements**

Repayment. SBA's disaster assistance is in the form of loans. Applicants must show the ability to repay all loans.

Collateral. Collateral is required for all physical loss loans over \$10,000 and all EIDL loans over \$5,000. SBA takes real estate as collateral where it is available. Applicants do not need to have full collateral; SBA will take what is available to secure each loan.

## 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 that 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 can so provide for its own recovery has Credit Available Elsewhere. Generally, SBA determines that over 90% of disaster loan applicants do not have Credit Available Elsewhere.

Interest rates are determined by formulas set by law, and may vary over time with market conditions. Currently (for disasters, which occurred on or after August 1, 2005) the applicable interest rates are:

	No Credit Available Elsewhere	Credit Available Elsewhere
Home Loans	2.687%	5.375%
Business Loans	4.000%	6.557%
Non-profit Organizations	4.000%	4.750%
Economic Injury Loans	4.000%	N/A

## Loan Term

The law authorizes loan terms up to a maximum of 30 years. However, for businesses with Credit Available Elsewhere, the law limits the loan term to a maximum of 3 years.

SBA determines the term of each loan in accordance with the borrower's ability to repay. Based on the financial circumstances of each borrower, SBA determines an appropriate installment payment amount, which in turn determines the actual term.

## Loan Amount Limits

Home Loan amounts are limited by SBA regulation to \$200,000 to repair/replace real estate and \$40,000 to repair/replace personal property. The actual amount of each loan, up to these maximums, is limited to the verified uninsured disaster loss. Refinancing of existing mortgages on homes is eligible in some cases up to the amount of the loan for real estate repair/replacement. Loan amounts may be increased by up to 20% for devices to mitigate against damage to the real property of the same type as the disaster.

Business Loan amounts are limited by law to \$1,500,000 for real estate, machinery and equipment, inventory and all other physical losses. The actual amount of each loan, up to this maximum, is limited to the verified uninsured disaster loss. Refinancing of existing mortgages or liens on real estate and machinery and equipment is eligible in some cases up to the amount of the loan for real estate and machinery and equipment repair/replacement. Loan amounts may be increased by up to 20% for devices to mitigate against damage to the real property of the same type as the disaster.

Economic Injury Disaster Loan (EIDL) amounts are limited by law to \$1,500,000. The actual amount of each loan, up to this maximum, is limited to the actual economic injury as calculated by SBA, not compensated by business interruption insurance or otherwise, and beyond the ability of the business and/or its owners to provide.

The \$1,500,000 statutory limit for business loans applies to the combination of physical and economic injury, and also applies to all disaster loans to a business and its affiliates. If a business is a major source of employment, SBA has authority to waive the \$1,500,000 statutory limit.

### **Loan Eligibility Restrictions**

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 is not eligible, unless used for business purposes. Property such as antiques and collections is eligible only to the extent of its functional value. Amounts for landscaping, swimming pools, etc. are limited.

Noncompliance. Applicants who have not complied with the terms of previous loans are not eligible. This includes prior borrowers who did not maintain required flood insurance.

### **Refinancing**

SBA can refinance all or part of prior mortgages, evidenced by a recorded lien, when the applicant (1) does not have Credit Available Elsewhere, (2) has suffered substantial uncompensated disaster damage (40% or more of the value of the property), and (3) intends to repair the damage. Refinancing of prior debts improves the victim's ability to afford the SBA disaster loan.

### **Relocation**

Use of SBA disaster loans for relocating is subject to limitations. Generally, victims may relocate where they need to do so for reasons beyond their control. If the victim is forced by state or local authorities to relocate, the amount of eligibility is the replacement cost of the property which must be abandoned.

### **Insurance Requirements**

To protect each borrower and SBA, SBA requires borrowers to obtain and maintain appropriate insurance. Borrowers of all secured loans (physical loans over \$10,000 and economic injury loans over \$5,000) must purchase and maintain full hazard insurance for the life of the loan. Borrowers whose 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.

# The Federal Emergency Management Agency (FEMA)



## **President Declares Major Disaster for Louisiana**

August 29, 2005

The President's emergency declaration releases federal resources to help meet immediate life-saving and life-sustaining human needs and protecting property in addition to other emergency protective measures. Affected individuals and business owners in the designated parishes are eligible for aid. Assistance will be coordinated by FEMA and can include grants to help pay for temporary housing, home repairs and other serious disaster-related expenses.

Those who sustained losses in the designated counties may begin the disaster application process by registering online at [www.fema.gov](http://www.fema.gov) or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free telephone numbers will be available 24 hours seven days a week until further notice.

Registering on-line is encouraged due to the possibility of high call volume. If registering by phone, owners of commercial properties and residents with only minor losses are urged to wait a few days before calling so those whose homes were destroyed or heavily damaged can be served first. Storm victims with insurance coverage should contact their insurance company or agent before calling to report losses and, if necessary, to request an advance or partial payment of their settlement.

Full text of news release at: <https://fema.gov/news/newsrelease.fema?id=18478>

**If you have been affected by a disaster, you may be eligible for federal assistance.**

**For Disaster Assistance Information, read the Applicant Guide:**

<http://www.fema.gov/about/process>

**To Request Disaster Help Online:**

<https://www1.disasteraid.fema.gov/IAC/displayPage.do?forward=home&>

**To Request Disaster Help by Telephone:**

Call 1-800-621-FEMA (3362).

The speech or hearing impaired may call (TTY) 1-800-462-7585.

If you get a busy signal, try to call in the evening after 6:00 p.m. or on the weekends when call volumes tend to be lighter

**In addition to having a pen and paper, please have the following information ready when making application to FEMA.**

**Social Security Number**

You will be asked to provide your social security number; if you are registering for a business, your tax ID number should be provided. If you do not have a social security number, your household may still be able to receive assistance if there is a minor child in the household who is a U.S. Citizen, Non-Citizen National, or Qualified Alien with a social security number.

**Insurance information**

You will be asked to identify the type(s) of insurance coverage you have.

**Financial information**

You will be asked to enter your family's gross total household income at the time of the disaster.

**Contact information**

Along with the address and phone number where the damages occurred, you will be asked for information on how FEMA can contact you. It is very important that you provide FEMA with your current mailing address and phone numbers where you can be contacted.

**Description of Losses Caused by the Disaster**

**Directions to Your Damaged Property**

**Electronic Funds Transfer (EFT)/Direct Deposit Information (optional)**

If you are determined to be eligible for assistance and would prefer that funds be transferred to your account, you will be asked for your banking information, which includes; the institution name, type of account, routing and account number.

**FEMA Online Registration:** <http://www.fema.gov/register.shtm>

The entire Applicant's Guide to the Individuals & Households Program may be viewed at: [http://www.fema.gov/pdf/about/process/help\\_after\\_disaster\\_english.pdf](http://www.fema.gov/pdf/about/process/help_after_disaster_english.pdf)

Guides are available in Spanish - Ayuda Después de un Desastre Guía para Solicitantes al Programa para Individuos y Familias:  
[http://www.fema.gov/pdf/about/process/help\\_after\\_disaster\\_spanish.pdf](http://www.fema.gov/pdf/about/process/help_after_disaster_spanish.pdf)

When disasters take place, the Individuals and Households Program (IHP) provides money and services to people in the disaster area when losses are not covered by insurance and property has been damaged or destroyed.

The following list shows the **types of assistance that are available** through IHP and what each provides.

**Temporary Housing:** (a place to live for a limited period of time): Money is available to rent a different place to live, or a government provided housing unit when rental properties are not available.

**Repair:** Money is available to homeowners to repair damage from the disaster that is not covered by insurance. The goal is to make the damaged home safe, sanitary, and functional.

**Replacement:** Money is available to homeowners to replace their home destroyed in the disaster that is not covered by insurance. The goal is to help the homeowner with the cost of replacing their destroyed home.

**Permanent Housing Construction:** Direct assistance or money for the construction of a home. This type of help occurs only in insular areas or remote locations specified by FEMA, where no other type of housing assistance is possible.

**Other Needs:** Money is available for necessary expenses and serious needs caused by the disaster. This includes medical, dental, funeral, personal property, transportation, moving and storage, and other expenses that are authorized by law.

### **Eligibility:**

To receive money or help for Housing Needs that are the result of a disaster, all of the following must be true:

- You have losses in an area that has been declared a disaster area by the President.
- You have filed for insurance benefits and the damage to your property is not covered by your insurance. You may be eligible for help from IHP to repair damage to your property.
- You or someone who lives with you is a citizen of the United States, a noncitizen national, or a qualified alien.
- Your home is in an area that has been declared a disaster area by the President.
- The home in the disaster area is where you usually live and where you were living at the time of the disaster.
- You are not able to live in your home now, you cannot get to your home due to the disaster, or your home requires repairs because of damage from the disaster.

To receive money for Other than Housing Needs that are the result of a disaster, all of the following must be true:

- You have losses in an area that has been declared a disaster area by the President.
- You have filed for insurance benefits and the damage to your property is not covered by your insurance. You may be eligible for help from IHP to repair damage to your property.
- You or someone who lives with you is a citizen of the United States, a noncitizen national, or a qualified alien.
- You have necessary expenses or serious needs because of the disaster.
- You have accepted assistance from all other sources for which you are eligible, such as insurance proceeds or SBA loans.

You may *not be eligible* for money or help from IHP if:

- You have other, adequate rent-free housing that you can use (for example, rental property that is not occupied).
- Your home that was damaged is your secondary or vacation residence.
- Your expenses resulted only from leaving your home as a precaution and you were able to return to your home immediately after the incident.
- You have refused assistance from your insurance provider(s).
- Your only losses are business losses (including farm business other than the farmhouse and self-employment) or items not covered by this program.
- The damaged home where you live is located in a designated flood hazard area and your community is not participating in the National Flood Insurance Program. In this case, the flood damage to your home would not be covered, but you may qualify for rental assistance or items not covered by flood insurance, such as water wells, septic systems, medical, dental, or funeral expenses.

## Internal Revenue Service



### DISASTER-RELATED TAX PROVISIONS

#### Current Provisions and Provisions

On August 30, 2005, the IRS issued a press release (see links below) triggering automatic extensions of time for filing returns, paying taxes making elections and performing numerous other tax-related acts enumerated in Rev. Proc. 2005-27

- ❖ Under Section 139 of the Code, qualified disaster relief payments to individuals, including certain hazard mitigation payments, can be excluded from taxable income.
- ❖ Section 1033 of the Internal Revenue Code allows taxpayers to avoid recognizing gain when they receive insurance payments or other compensation for damaged or destroyed property if those payments are used to acquire new property. The requirements for avoiding gain under Section 1033 are relaxed in a Presidential-declared disaster area.
- ❖ IRS Publication 3833 (Disaster Relief) provides guidance on charitable deductions for disaster relief donations.
- ❖ IRS Publications 547 and 2194 address the tax treatment of disasters and casualty losses.
- ❖ The IRS has initiated a series of public outreach efforts and is working with the American Institute of Certified Public Accountants (AICPA) and other groups to ensure that affected taxpayers are aware of the relief provisions available to them under the tax law.

<http://www.irs.gov/newsroom/article/O,,id=147055,00.html>

<http://www.irs.gov/newsroom/article/O,,id=141489,00html>

**Affected Taxpayers:** For the purposes of this tax relief, affected taxpayers include individuals and businesses located in the disaster area, those whose tax records are located in the disaster area, and relief workers. The same relief will also apply to any places added to the disaster area.

**Extensions to File or Pay Taxes:** The IRS gives affected taxpayers until the last day of the Extension Period to file most tax returns, including partnership and S-corporation returns, or to make tax payments, including estimated tax payments, that have either an original or extended due date falling within this Period. The IRS will abate interest and any late filing or late payment penalties that would apply during these dates to returns or payments subject to these extensions.

The IRS also gives affected taxpayers until the last day of the Extension Period to perform certain other time-sensitive actions described in Treasury Regulation § 301.7508A-1(c)(1) and Rev. Proc. 2005-27, 2005-20 I.R.B. 1050, that are due to be performed during this Period. This relief includes the filing of Form 5500 series returns, in the manner described in section 8 of Rev. Proc. 2005-27.

This extension to file and pay does not apply to information returns in the W-2, 1098, 1099 or 5498 series, to Forms 1042-S or 8027, or to employment and excise tax deposits. However, the IRS may abate penalties on such deposits for affected taxpayers due to reasonable cause during the FTD Penalty Waiver Period, provided they make the payment by the last day of that Period. Taxpayers whose specific disaster-related circumstances prevent them from making tax deposits within that Period may seek penalty abatements on a case-by-case basis.

To qualify for this relief, affected taxpayers should put the assigned Disaster Designation in red ink at the top of the return, except for Form 5500, where filers should check Box D in Part 1 and attach a statement, following the form's instructions. Individuals or businesses located in the disaster area – or taxpayers outside the area that were directly affected by this disaster – should contact the IRS if they receive penalties for filing returns or paying taxes late.

**Casualty Losses:** Affected taxpayers in a Presidential Disaster Area have the option of claiming disaster-related casualty losses on their federal income tax return for either this year or last year. Claiming the loss on an original or amended return for last year will get the taxpayer an earlier refund, but waiting to claim the loss on this year's return could result in a greater tax saving, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements, but they must first subtract \$100 for each casualty event and then subtract ten percent of their adjusted gross income from their total casualty losses for the year. For details on figuring a casualty loss deduction, see IRS Publication 547, "Casualties, Disasters and Thefts."

Affected taxpayers claiming the disaster loss on last year's return should put the Disaster Designation in red ink at the top of the form so that the IRS can expedite the processing of the refund.

**Other Relief:** The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers who need them to apply for benefits or to file amended returns claiming casualty losses. Such taxpayers should put the assigned Disaster Designation in red ink at the top of Form 4506, "Request for Copy of Tax Return," or Form 4506-T, "Request for Transcript of Tax Return," as appropriate, and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the disaster impacts them so that the IRS can provide appropriate consideration to their case.

The IRS toll-free number for general tax questions is [1-800-829-1040](tel:1-800-829-1040).

## Tips for Hiring Contractors for Disaster Repairs

Whether they are architectural, engineering, electrical, or general contractors, most service providers in the building industry are honest. But disasters attract scam artists. Consumers must protect themselves.

- **Beware "FEMA Certified."** This can signal a scam. FEMA does NOT certify or endorse any contractor.
- **Get a written estimate.** Compare services and prices before making a final decision. Also, read the fine print. Some contractors charge a fee for a written estimate, which is often applied to the price of subsequent repairs they make.
- **Check references.** Contractors should be willing to provide the names of previous customers. Call several former customers who had similar work done to make sure they were satisfied with the job.
- **Ask for proof of insurance.** Make sure the contractor carries general liability insurance and workers' compensation. If the contractor is not insured, the homeowner may be liable for accidents that occur on the property.
- **Use reliable, licensed contractors.** Call your local [Better Business Bureau](#) to inquire about a business before signing a contract.
- **Insist on a written contract.** A complete contract should clearly state all the tasks to be performed, all associated costs and the payment schedule. Never sign a blank contract or one with blank spaces. Make sure the contract clearly states who will apply for the necessary permits or licenses. Have a lawyer review the contract if substantial costs are involved, and keep a copy for your records.
- **Get any guarantees in writing.** Any guarantees made by the contractor should be written into the contract. The guarantee should clearly state what is guaranteed, who is responsible for the guarantee and how long the guarantee is valid.

- **Obtain a local building permit if required.** Permits may be required for site work, other than demolition, and for reconstruction. Contact your local government for permit information.
- **Make final payments when the work is completed.** Do not sign completion papers or make the final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not finished properly.
- **Pay by check.** Avoid on-the-spot cash payments. The safest route is to write a check to the contracting company. A reasonable down payment is 30 percent of the total cost of the project, to be paid upon initial delivery of materials. Federal law gives consumers a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25.
- **Canceling a contract.** This should be done within three business days of signing. Be sure to follow the procedures for cancellation that are set out in the contract. Send the notification by registered mail with a return receipt to be signed by the contractor.
- **Report problems** with a contractor or fraud to your [state Office of the Attorney General](#).

#### **Helpful Websites:**

- Louisiana Office of Homeland Security – [www.ohsep.louisiana.gov](http://www.ohsep.louisiana.gov)
- Federal Emergency Management Agency (FEMA) – [www.fema.gov](http://www.fema.gov)
- Small Business Association (SBA) – [www.sba.gov](http://www.sba.gov)
- Louisiana Small Business Association – [www.lsbdc.org](http://www.lsbdc.org)
- Internal Revenue Service – [www.irs.gov](http://www.irs.gov)