Hurricane Sandy Business Loan & Grant Program: FAQs

As part of the City of New York's ongoing effort to assist New York City businesses damaged by Hurricane Sandy, a new loan and grant program has been made available. The Hurricane Sandy Business Loan & Grant program is one of four business recovery programs included in the City's Community Development Block Grant Disaster Recovery Action Plan approved by the U.S. Department of Housing and Urban Development (HUD). NYC Department of Small Business Services will be administering the program with assistance from the New York Business Development Corporation-Local Development Corporation (NYBDC-LDC).

Applications must be submitted through an NYC Business Solutions Account Manager. Account Managers are also available to help businesses complete the application and related required documents.

Please contact an NYC Business Solutions center directly (see list on page 4), call 311 and ask for "Hurricane Sandy Business Assistance" or visit nyc.gov/nycbusiness for all information on loans and other services for small businesses.

What is the purpose of this program?
To provide financial assistance in the form of loans and/or grants for working capital, and the replacement of eligible inventory and moveable equipment to New York City small businesses who were impacted by Hurricane Sandy, as a supplement to other available disaster recovery financing where unmet needs still exist.

How much money can I qualify for?
Loans of up to $150,000 will be made available to borrowers that experienced direct damage as a result of the storm and demonstrate an ability to repay the loan. Matching grants of up to $60,000 are also available. Applicants that demonstrate need exceeding these amounts may be eligible for loans up to $1 million and grants up to $100,000 as determined by the City and according to program priorities.

What are the terms and conditions?
Loans will have a 1% interest rate on a monthly amortization schedule for five (5) years (extended to seven years if necessary). There is an introductory three-month interest-only payment period, and no pre-payment penalty. For Loans under $5,000 the monthly payment will be a minimum of $75.00 and there will be no interest only period. The $75.00 payment will continue on a monthly basis until all principal and accrued interest is paid in full, as such the loan repayment term will vary depending on the amount of the loan

Are there any fees?
There are no fees associated with these loans/grants.

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Who is eligible for a disaster recovery loan or grant?
The Hurricane Sandy Business Loan & Grant Program is for independently owned businesses that:
(1) Are a for-profit business paying taxes and located in New York City
(2) Were in existence on or prior to October 27, 2012
(3) Are small businesses as defined by the U.S. Small Business Administration
(4) Have at least one location that has experienced loss, damage, and/or interruption as a result of Hurricane Sandy

What if my business doesn't meet the eligibility for this disaster recovery loan?
NYC Business Solutions has a network of over 40 lenders that offer financing products that may meet your needs. We encourage you to contact us even if you are not sure your company meets the target criteria above.

What if I've already received financing assistance related to Hurricane Sandy?
The Hurricane Sandy Business Loan & Grant Program is designed to provide funding to help you address unmet needs incurred as a result of Hurricane Sandy. Other private grants, insurance proceeds, and state and federal assistance are considered when determining the amount of an award to an individual applicant.

My business has been showing negative cash flow for the past several years. Should I still apply?
We encourage everyone who meets the eligibility criteria to apply, but cannot guarantee that businesses illustrating negative cash flow over several years will be provided loans and/or grants. If a business illustrates negative cash flow but received an SBA loan for damage sustained by Hurricane Sandy, they may be eligible for a matching grant through this program.

What can I use the money for?
Loans and grants can be used for working capital and replacement of damaged or lost movable equipment and inventory. Working capital expenses may include but are not limited to: rent, utilities, insurance, payroll, taxes, marketing, etc. Very generally, movable equipment can be considered equipment for which no installation is required.

Businesses cannot use loan and/or grant funding for any of the following Circular A-87 ineligible expenses: purchasing alcoholic beverages; relieving bad debts; paying for staff entertainment/travel; settling fines, penalties or damages resulting from violations; paying for lobbying; suing the Federal Government; and recovering from costs due to idle facilities or capacity (costs of maintenance, repair, housing, rent, insurance, interest, taxes and depreciation).

I already incurred expenses repairing or replacing my business space/building/equipment. Can this loan/grant reimburse me for this?
The Hurricane Sandy Business Loan & Grant Program cannot be used to reimburse expenses already incurred.

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How do I get help to complete and submit the loan/grant application?
A dedicated NYC Business Solutions Account Manager can assist you to complete the application and review documents prior to submission to the lender. See locations and contact information at the bottom of this document.

Can you visit my home or business?
All Account Managers are mobile and can make offsite visits if that is more convenient for your schedule. Centers are also handicap accessible and located close to major subway lines.

What if my first language is not English?
In compliance with NY State law, we offer translation and interpreting services. These services are available in Spanish, Chinese, Italian, Russian, French and French Creole.

What is required to apply to the Hurricane Sandy Business Loan & Grant Program?
In addition to NYBDC-LDC's loan and grant application, eligible applicants will be required to submit all of the documentation found on the program *Document Checklist* available for download at nyc.gov/nycbusiness.

Do I have to apply for an SBA loan to qualify for this program?
No. As of July 31, 2013 all business-related SBA Disaster Recovery program application deadlines related to Hurricane Sandy have passed.

What if I've already received assistance from the SBA?
If you've already received assistance from the SBA and still have unmet financial needs that were not covered by your SBA loan (or other sources), then you should still apply for the Hurricane Sandy Business Loan & Grant Program.

What if I've already received assistance from my insurance company?
If you still have unmet financial needs that were not covered by your insurance company, an SBA loan, and other Sandy-related assistance from other sources, you should still apply for Hurricane Sandy Business Loan & Grant Program.

What if my SBA loan application or insurance claim is still pending a decision?
A determination of how much funding your business qualifies for will be made based on your need and all of the recovery-related funds received or reasonably expected (with a determinable amount) at the time you apply for this loan. However, you can still begin the process if your application is pending – please contact an NYC Business Solutions Account Manager to help you assess what you are qualified for.

I didn't qualify for the City's earlier emergency loan program and matching grant program. Should I apply for this one?
Yes. All customers that meet the eligibility requirements described above are still encouraged to apply for the Hurricane Sandy Business Loan & Grant Program. If you are not eligible for that program, you should still connect with NYC Business Solutions, which has a network of over 40 lenders that offer financing products that may meet your needs.

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If I was approved for the previous emergency loan program offered by the City, can I also apply for this program?

Yes. All customers that meet the eligibility requirements described above are still encouraged to apply for the Hurricane Sandy Business Loan & Grant Program. The amount you received from the original program will be deducted from your eligible amount for the Hurricane Sandy Business Loan & Grant Program along with proceeds received from insurance disbursements, the SBA, and other financing sources.

I don't want to take on more debt. Can I just apply for the grant?

If your business has already borrowed money from an institutional lender, the SBA or the City's original Emergency Loan program to cover Sandy-related losses and your business can demonstrate remaining unmet financial needs, then you may be eligible for a matching grant.

Get started: Contact NYC Business Solutions

Applications must be submitted through an NYC Business Solutions Account Manager. Account Managers are also available to help businesses complete the application and related required documents. Below is a list of our NYC Business Solutions Centers. Hours of operation are Monday – Friday, 9:00 a.m. – 5:00 p.m.

Please contact the Centers directly, call 311 and ask for "NYC Business Solutions" or visit nyc.gov/nycbusiness to confirm current hours of operation.

NYC Business Solutions Centers:

Bronx Center
400 E. Fordham Rd., 7th Fl.
Bronx, NY 10458
Phone: (718) 960-7910

Brooklyn Center
9 Bond St., 5th Fl.
Brooklyn, NY 11201
Phone: (347) 296-8021

Lower Manhattan Center
79 John St.
New York, NY 10038
Phone: (212) 618-8914

Queens Center
168-25 Jamaica Ave., 2nd Fl.
Jamaica, NY 11432
Phone: (718) 577-2148

Staten Island Center
120 Stuyvesant Pl., 3rd Fl.
Staten Island, NY 10301
Phone: (718) 285-8400

Upper Manhattan Center
361 W. 125th St., 2nd Fl.
New York, NY 10027
Phone: (212) 749-0900, ext. 125

Washington Heights Center
560 W. 181st St., 2nd Fl.
New York, NY 10033
Phone: (212) 749-0900, ext. 126