

PATHWAYS TO RECOVERY: SMALL BUSINESS RECOVERY

Frequently Asked Questions

- 1. What is the status of the small business grant program? Is it a loan or a grant program? Is there any other monetary help for businesses not doing business due to no tourists other than to be burdened with more loans?**

Details are currently being finalized as of October 9, 2023. The State has provided Maui County with \$12.5 million that will be disbursed by Maui Economic Opportunity (MEO), Maui Economic Development Board (MEDB) and Maui Community Federal Credit Union. The program will provide \$10,000 and \$20,000 forgivable loans, depending on the size of the business, with the bulk of the funds distributed by MEO. The loans will be forgivable as long as one follows the stipulations, which include that the money must be spent in Hawai'i. In addition, the Business Resource and Assessment Center in Kihei is being operated in conjunction with Operation Hope, which has funds available for business owners who may not qualify for an SBA loan. Please also continue to check <https://www.mauinuistrong.info/> for updates.

- 2. What loan programs are available to Hawai'i property owners looking for assistance that don't meet conventional loan requirements and rates?**

The Business Resource and Assessment Center in Kihei has information on available financial resources from other organizations. They are open from 8 a.m. to 5 p.m., Monday through Friday and from 10 a.m. to 2 p.m. on Saturday. Additional information is available by calling the SBA Customer Service Center at 1-800-659-2955.

- 3. Have FEMA and the SBA extended the deadline to apply for physical damage assistance? Can you provide more information on how to apply?**

The deadline to apply for Physical Damage assistance is Nov. 9, 2023. You can apply online at <https://disasterloanassistance.sba.gov/ela>

- 4. I have been declined an SBA Disaster loan for my business because I cannot provide the collateral of my home, which is in an iron-clad trust. What other options are there for people in the same situation as me?**

Request reconsideration from the Small Business Administration. Applicants have up to six months from the date of the letter declining the loan to explain the situation or provide documentation as needed to change that decision.

- 5. What is the expected turnaround time for businesses applying for disaster relief loans? I have not heard of any of my business customers receiving loan approval or loan proceeds as of yet.**

Everything is done on a case-by-case basis, so there isn't a specific turnaround time. Generally, it should take two to four weeks but it could be longer depending on how complicated the business is and where it is located. To date, the SBA has approved over \$41 million in funds for businesses. To find out the status of a submitted application, individuals can visit one of SBA's Small Business Recovery Centers or call the Customer Service Center at 1-800659-2955.

- 6. We lost our retail property on Front Street on leased land, so we have no collateral. We likely will have no idea how much of a property loan we will need and won't need the loan to rebuild for years.**

Successful applicants don't need to take the money right away and have up to six months before they need to take any action (this can also be extended). Please discuss this with the loan officer and let them know that you're applying and that you don't need any funds upfront.

- 7. I don't understand why I'm being asked for personal guarantees for Corporations on small business loans. What is the process to appeal this?**

When a loan is declined, a letter is sent that explains the reason and outlines the steps that need to be taken to request reconsideration. Applicants have up to six months from the date of the letter to explain the situation or provide documents as needed to change that decision.

- 8. For many of the impacted businesses in Lahaina, 2 million is not enough. How can we get that # increased to 4 million or 5 million+?**

The Small Business Administration helps businesses of all sizes, so there may be another program that's available for a much larger business.

- 9. What is the reason that SBA is unable to provide grants similar to COVID-19 PPP/ERC ? The amount can be tied to annual tax filings by each business. increasing liability with the lack of clarity on economic recovery seems contrary to prudent risk management.**

The Small Business Administration doesn't offer grants. The one exception was during the COVID-19 pandemic, which required a special act of Congress.

- 10. How many employees would you need to have to be considered a large business?**

Size standards vary by industry and are generally based on the number of employees or the number of annual receipts the business has. For more information, visit <https://www.sba.gov/federal-contracting/contracting-guide/size-standards#id-how-size-standards-are-determined>

11. Are there special forgiveness provisions available on any of the SBA loans (physical damage or EIDL?). I heard there were provisions given during the Hurricane Katrina disaster.

The SBA loans are not forgivable unless Congress says they are. The only time this has happened was during the COVID-19 pandemic.

12. How will SBA view a newly licensed business that invested working capital and launched in July 2023 who lost inventory and sales on 8/8 due to storm damage? A business started in 2023 will not have tax returns or quarterly filings yet.

The SBA can work with whatever records are available that show you were in business, such as invoices and accounts payable. Even if you just filed your business plan or received your permits, you are considered a business. Please complete your application and note that you don't yet have a tax return because you just started the business.