



SBA Disaster Loan

To start the process for a SBA Disaster Loan go to the online application at: <https://disasterloan.sba.gov/ela/Account/Login> (if you have trouble accessing site keep trying). Create an account and log in.

Requirements for a Disaster Assistance Loan has been relaxed.
For under 25,000 no collateral is required.

The U.S. Small Business Administration is offering designated states (California) low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of C19. SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act - Economic Injury Disaster Loan Declaration.

These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses and 2.75 for non-profits. SBA offers long-term repayments in order to keep payments affordable, up to 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

For additional information please contact:

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Mortgage Assistance from the Federal Housing Finance Agency

Mark Calabria, Director of the FHFA just expanded, in an interview on NPR, the Mortgage Assistance Program that was announced just a few days ago.

This program affects all mortgages guaranteed by Fannie Mae, Freddie Mac and the FHA, the majority of all conforming loans. Calabria stated that, because the feds were initiating this program, major banks and lenders will more than likely follow suit with non-conforming loans as well. The programs are below.

I. Homeowners and Landlords Directly Affected

Eligibility Criteria – Loss or decline of income as a result of the pandemic. This can affect any party in a joint mortgage. Moreover, landlords can also apply if their rental income is affected.

Terms – Up to one year of deferral of mortgage payments. This is a forbearance, not a cancellation of debt but no interest or other fees would be charged on the deferred amount. Repayment can be added at the term of the loan or the borrower can do make-up payments during the term. This seems to be discretionary by the borrower.

Documentation – For now, servicers will accept the statement of the borrower as to the percentage of income decline and work out a reduction ratio to payment, 50-60-100% whatever is achievable.

Contact – Contact the loan servicer

II. Homeowners Facing Foreclosure Now

For those borrowers already facing foreclosure, there is a 60-day postponement of any action. Calabria did firmly acknowledge that, if the crisis continues beyond 60 days, this program will be extended. Again the presumed contact would be the servicer and/or the trustee.

III. Renters

Because landlords can benefit under the first program above, renters should have significant leverage in negotiating rent reductions. Calabria insisted that landlords would get forbearance as long as it is passed on to tenants.

Check the website below for continuing information. Right now information is sparse, but the interview was more expansive.

<https://www.fhfa.gov/Homeownersbuyer/MortgageAssistance>

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