

CHAPTER 78
SMALL BUSINESS DISASTER RECOVERY FINANCIAL ASSISTANCE PROGRAM

DIVISION I
2008 NATURAL DISASTER SMALL BUSINESS DISASTER RECOVERY
FINANCIAL ASSISTANCE PROGRAM

261—78.1(15) Purpose. The purpose of the small business disaster recovery financial assistance program is to provide financial assistance to businesses that sustained physical damage or economic loss due to the 2008 natural disasters. Financial assistance in the form of working capital to help ensure businesses' survival and capital for acquisition of energy-efficient equipment is available to businesses that suffered physical damage or economic loss due to the 2008 natural disasters.

[ARC 7558B, IAB 2/11/09, effective 3/18/09]

261—78.2(15) Definitions.

“*Administrative entity*” means (1) selected cities that administer local disaster recovery programs, and (2) councils of government (COGs) established by Iowa Code chapter 28H.

“*Business*” means a corporation, a professional corporation, a limited liability company, a partnership, a sole proprietor or a nonprofit corporation. “Business” includes a commercial landlord.

“*Department*” or “*IDED*” means the Iowa department of economic development.

“*Eligible lender*” means any of the following entities that provide disaster recovery loans to businesses: the SBA; a financial institution; an economic development organization; a rural electric or telephone cooperative with an established Economic Development Administration (EDA)-based or U.S. Department of Agriculture (USDA)-based revolving loan fund program or intermediary relending program.

“*Financial institution*” means a state bank as defined in Iowa Code section 524.103, subsection 33; a state bank chartered under the laws of any other state; a national banking association; a trust company; a federally chartered savings and loan association; an out-of-state, state-chartered savings bank; a financial institution chartered by the federal home loan bank board; a non-Iowa chartered savings and loan association; an association incorporated or authorized to do business under Iowa Code chapter 534; a production credit association; a credit union; or such other financial institution as defined by the department for purposes of this chapter.

“*SBA*” means the U.S. Small Business Administration.

[ARC 7558B, IAB 2/11/09, effective 3/18/09]

261—78.3(15) Distribution of funds to administrative entities.

78.3(1) Allocation of funds. IDEED will disburse funds in the form of a grant to administrative entities. The grant shall be used to provide financial assistance to eligible businesses in the form of forgivable loans and reimbursement for acquisition of energy-efficient equipment. Funds will be allocated to administrative entities on the basis of the percentage of SBA disaster loans awarded to businesses located within the city's jurisdiction or the disaster recovery area as defined by IDEED.

78.3(2) Application process. To apply for funding, an administrative entity shall submit a letter to IDEED stating its interest in receiving an allocation from the small business disaster recovery financial assistance program. Letters shall be sent to: Business Finance, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309.

78.3(3) Redistribution of unobligated funds. By April 30, 2009, if a local administrative entity has not obligated funds to eligible businesses for allowable activities, the department will reallocate funds to administrative entities that have demonstrated additional unmet need for financial assistance. Funds for this program shall be available through June 30, 2009.

[ARC 7558B, IAB 2/11/09, effective 3/18/09]

261—78.4(15) Eligible business. An eligible business is one that meets the following requirements:

78.4(1) The business has sustained physical damage or economic loss due to the 2008 natural disasters, and

78.4(2) The business has been approved for a disaster loan from an eligible lender. This subrule is retroactive to September 18, 2008.

[ARC 7558B, IAB 2/11/09, effective 3/18/09; ARC 8600B, IAB 3/10/10, effective 2/19/10]

261—78.5(15) Eligible program activities; maximum amount of assistance.

78.5(1) *Program funds available for working capital.* An eligible business may apply for funding for working capital to ensure the business's survival. The maximum amount of program funds available for working capital to ensure the business's survival is 25 percent of the business's loan from an eligible lender up to a maximum of \$50,000.

78.5(2) *Program funds available for energy-efficient purchases.*

a. Up to \$5,000 additional assistance. Up to \$5,000 of additional assistance is available for energy-efficient purchases and installation. In addition to the assistance available under subrule 78.5(1), the amount of \$5,000 per eligible business is available to reimburse the business for the full cost of purchasing energy-efficient equipment including, but not limited to, furnaces and boilers, appliances, air conditioners, hot water heaters, windows, and insulation. The cost that is eligible for reimbursement is the amount of the purchase price and installation less any utility rebates received.

b. OEI standards. To receive reimbursement, the eligible business shall provide documentation to verify that the energy-efficient equipment meets the standards established by the Iowa office of energy independence (OEI).

78.5(3) *Total program assistance capped at \$55,000.* An eligible business shall not receive more than \$55,000, including the program funds available for energy-efficient purchases (maximum of \$5,000) through this small business disaster recovery financial assistance program.

[ARC 7558B, IAB 2/11/09, effective 3/18/09]

261—78.6(15) Allowable types of assistance to eligible businesses. An administrative entity shall provide financial assistance from this program to eligible businesses in compliance with the terms and conditions described in this rule. An administrative entity may award funds in the form of a forgivable loan to businesses that have received a disaster loan from an eligible lender. A forgivable loan is a loan that will be forgiven if the business reopens within 12 months of the award date and, if applicable, upon receipt of documentation that the business has purchased and installed the energy-efficient equipment.

[ARC 7558B, IAB 2/11/09, effective 3/18/09]

261—78.7(15) Program administration and reporting. Each local administrative entity shall enter into a contract with an eligible business to provide assistance under this program. The contract shall include terms and conditions that meet the requirements of these rules as well as provisions to require repayment if funds are not used in compliance with the program. Each local administrative entity shall provide oversight and contract administration to ensure that the recipients of program funds are meeting contract requirements. Each local administrative entity shall collect data and submit reports to IDED about the program in the form and content required by IDED.

[ARC 7558B, IAB 2/11/09, effective 3/18/09]

261—78.8 to 78.10 Reserved.

DIVISION II
2010 IOWANS HELPING IOWANS BUSINESS ASSISTANCE PROGRAM

261—78.11(15) Purpose. The purpose of the Iowans helping Iowans business assistance program is to provide financial assistance to businesses that sustained physical damage due to the 2010 natural disasters. The department will make financial assistance available for working capital to help ensure businesses' survival for those businesses that suffered physical damage due to the 2010 natural disasters.

[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.12(15) Definitions. Terms shall have the following definitions for purposes of this division:

“*2010 natural disasters*” means the natural disasters in and around Iowa resulting in the Presidential declaration of a major disaster for the state of Iowa, known as FEMA-1930-DR, dated July 29, 2010, and related determinations and updated designations.

“*Administrative entity*” means (1) selected cities that administer local disaster recovery programs, and (2) councils of governments established by Iowa Code chapter 28H, including organizations comprised of one or more councils of governments so established.

“*Business*” means a corporation, a professional corporation, a limited liability company, a partnership, a sole proprietorship or a nonprofit corporation. “Business” does not include a residential landlord or a home-based business for purposes of this division.

“*Department*” means the Iowa department of economic development.

“*Eligible lender*” means any of the following entities that provide disaster recovery loans to businesses: the U.S. Small Business Administration; a financial institution; an economic development organization; a rural electric or telephone cooperative with an established Economic Development Administration (EDA)-based or U.S. Department of Agriculture (USDA)-based revolving loan fund program or intermediary relending program.

“*Financial institution*” means a state bank as defined in Iowa Code section 524.103, subsection 39; a state bank chartered under the laws of any other state; a national banking association; a trust company; a federally chartered savings and loan association; an out-of-state, state chartered savings bank; a financial institution chartered by the federal home loan bank board; a non-Iowa chartered savings and loan association; an association incorporated or authorized to do business under Iowa Code chapter 534; a production credit association; a credit union; or such other financial institution as defined by the department for purposes of this division.

“*Program*” means the Iowans helping Iowans business assistance program.

[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.13(15) Eligible business. An eligible business is one that meets the following requirements:

78.13(1) The business has sustained physical damage due to the 2010 natural disasters;

78.13(2) The business is located in the presidentially declared disaster area eligible for individual assistance, as designated by FEMA-1930-DR; and

78.13(3) The business has been approved for a loan directly related to a 2010 natural disaster purpose from an eligible lender. The business shall not be required to execute a loan offered by an eligible lender for a 2010 natural disaster-related purpose to be eligible for participation in this program. The disaster loan from the eligible lender used to determine eligibility for the program under this rule shall not be conditional upon receipt of financing from the program or any other sources.

[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.14(15) Eligible program activities; maximum amount of assistance.

78.14(1) *Program funds available for working capital.* An eligible business may apply for funding for working capital to ensure the business’s survival. The maximum amount of financial assistance available for working capital to ensure the business’s survival is an amount equal to not more than 25 percent of the eligible lender’s approved loan amount offered to the business, up to a maximum of \$50,000.

78.14(2) *Total program assistance capped at \$50,000.* An eligible business shall not receive more than \$50,000 through the program. Participation in the program does not limit the eligible business’s participation in other programs administered by the department, unless specifically limited by law.

[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.15(15) Distribution of funds; application.

78.15(1) *Distribution of funds.* The department will disburse funds to eligible businesses in the order applications are received and as long as funds are available for the program, as determined solely by the department. Incomplete applications shall not be deemed as received until all required information is received by the department, except as expressly allowed by the application.

78.15(2) Application process. Applicants shall be required to apply for financial assistance under the program using the department's online application form available at www.iowanshelpingiowans.com.
[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.16(15) Form of assistance available to eligible businesses. The department shall provide financial assistance through this program to eligible businesses, subject to an agreement with the business and in compliance with the terms and conditions described in this rule. The department may award funds in the form of a forgivable loan to eligible businesses. The department shall forgive a loan made to an eligible business under the program if the business remains open for business for at least 12 months from the date of the award. If the business closes or otherwise ceases to exist in substantially the same capacity in which it existed at the time the loan was awarded under this program, the business shall repay the entire loan to the department immediately.

[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.17(15) Grants to administrative entities.

78.17(1) The department may enter into agreements with administrative entities to administer the program on behalf of the department. Under such agreements, the department will provide grants to the administrative entities to administer and disburse financial assistance consistent with this division to eligible businesses. Nothing in this rule shall require the department to enter into an agreement with an administrative entity to administer the program on its behalf.

78.17(2) Each local administrative entity acting on behalf of the department under this rule shall enter into a contract with an eligible business to provide assistance under this program. The contract shall include terms and conditions that meet the requirements of these rules and repayment provisions if funds are not used in compliance with the program. Each local administrative entity shall provide oversight and contract administration to ensure that the recipients of program funds are meeting contract requirements. Each local administrative entity shall collect data relating to the program and shall submit a report to the department as required. The content and form of the report shall be consistent with the program and as directed by the department.

78.17(3) Administrative entities acting under this rule may elect to apply singly or join with other administrative entities. To the extent administrative entities act jointly or cooperatively in their participation in the Iowans helping Iowans housing assistance program administered by the Iowa finance authority pursuant to 265—Chapter 40, Iowa Administrative Code, the department may require the administrative entities to similarly act jointly or cooperatively in their participation under this division.
[ARC 9067B, IAB 9/8/10, effective 8/20/10]

261—78.18(15) Award; acceptance.

78.18(1) Award. The director of the department shall have the authority to award loans and grants made under this program and to execute loan documents, grant agreements and other related documents.

78.18(2) Acceptance. A business recommended for a loan under this program shall execute the necessary loan documents and return them to the department by the time described in the intent to award letter; otherwise, the department may rescind the loan award.

[ARC 9067B, IAB 9/8/10, effective 8/20/10]

These rules are intended to implement Iowa Code section 15.108.

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[Filed Emergency ARC 9067B, IAB 9/8/10, effective 8/20/10]