

CHARLIE BAKER
Governor



KARYN POLITO
Lt. Governor

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Governor Baker and Merrimack Valley Local Officials Announce \$2 Million Recapitalization of Small Business Emergency Loan Fund

Combined with SBA-issued disaster declaration, significant increase in funding and support available to impacted businesses

ANDOVER – Today, Governor Charlie Baker and Lieutenant Governor Karyn Polito joined Andover Town Manager Andrew Flanagan, North Andover Town Manager Andrew Maylor and Lawrence Mayor Daniel Rivera to announce an additional \$2 million for the Merrimack Valley Small Business Emergency Loan Fund. Governor Baker also announced the U.S. Small Business Administration issued a disaster declaration to make its Economic Injury Disaster Loans available to businesses and private nonprofits in the effected region.

The announcement took place at Yella Restaurant in Andover and was attended by community leaders, participating lenders, small business owners and local elected officials.

“As the recovery process continues for impacted homes and businesses, boosting this fund serves as a critical tool to help business owners keep their doors open and navigate through this difficult time,” **said Governor Charlie Baker.** “We appreciate the support from regional leaders to provide resources and capital for this critical emergency fund and welcome news that the U.S. Small Business Administration has approved our request for economic injury disaster to significantly increase resources for the communities of Lawrence, Andover and North Andover.”

“I applaud the contributions and commitments of the 22 lenders that have contributed to the emergency loan fund,” **said Lt. Governor Karyn Polito.** “With increased access to capital, businesses can also expect more resources and technical

support – not just for this immediate recovery period, but for years to come, as they work towards getting back on their feet.”

Last month, [the Baker-Polito Administration announced the creation of the Emergency Loan Fund](#). Massachusetts Growth Capital Corporation (MGCC) and ten lenders provided the initial \$1 million in capital, partnering with the Lawrence Partnership and Mill Cities Community Investments (MCCI) to develop the fund. MCCI administers the fund and reports over 20 applications received from eligible businesses.

"We're working aggressively to support our business community through this incredibly difficult time, and the emergency loan fund provides an invaluable resource that can support their recovery effort," **Town Manager Andrew Flanagan said**. "I hope businesses will take advantage of this resource to support their efforts to reopen and recovery from the disaster. Our small businesses are a critical part of Andover's economy and essential to the lifeblood of our community."

"A crucial part of this relief effort is to help businesses get back on their feet and open their doors," **said Lawrence Mayor Dan Rivera**. "It is clear with the usage of the emergency loan fund to date, there is a real demand and need for access to capital for these businesses. The expansion the loan fund will allow for more businesses to gain access to these funds as they wait for their claims to be processed."

"North Andover prides itself in being a close-knit community. It is the small businesses in our town that create the bonds that make this possible", **said North Andover Town Manager Andrew Maylor**. "Having access to capital may be the most important resource that these businesses need to survive and prosper."

The \$2 million recapitalization of this fund is supported by 15 lenders contributing a total of \$1.55 million, combined with \$450,000 from MGCC:

Lenders contributing \$250,000:

- Berkshire Bank
- Eastern Bank
- Northern Trust
- People's United Bank

Lenders contributing \$50,000:

- Century Bank
- East Boston Savings Bank
- Enterprise Bank
- First Ipswich
- Leader Bank
- Lowell Five
- North Shore Bank

- Northmark Bank
- Reading Cooperative
- South Shore Bank
- Wakefield Co-operative Bank

MGCC and three lenders - Eastern Bank, Enterprise Bank and Reading Cooperative - participated in the initial capitalization, as well as the recapitalization announced today.

An additional \$500,000 loan loss reserve for this fund has been contributed by Columbia Gas, totaling \$750,000 since the fund formation.

“We are so grateful for the collaborative partnerships of every involved organization, from banks and credit unions to local nonprofits to statewide agencies,” **said Assistant Secretary of Business Development and International Trade Nam Pham.** “We thank the Mayor of Lawrence and the town managers of Andover and North Andover, and most of all MGCC for their leadership to make this loan and recapitalization happen quickly. They have set a perfect model for how communities should respond to a disaster.”

In response to Governor Baker’s formal request, the U.S. Small Business Administration (SBA) made a disaster declaration, approving Massachusetts for the Economic Injury Disaster Loan (EIDL) for impacted businesses in the region.

“The SBA is strongly committed to providing the people of Massachusetts with the most effective and customer-focused response possible to assist small businesses with federal Economic Injury Disaster Loans,” **said SBA Administrator Linda McMahon.** “Getting businesses and communities up and running after a disaster is our highest priority at SBA.”

“SBA Economic Injury Disaster loans of up to \$2,000,000 are now available and the SBA can help affected small businesses and nonprofit organizations overcome their economic losses by offering working capital loans,” **said SBA’s Massachusetts District Director, Bob Nelson.** “These loans offer fixed rates with a maximum of 3.675% for small businesses and 2.5% for nonprofits with maximum terms of up to 30 years.”

These SBA loans are available up to \$2 million (per loan) based on the amount of economic injury, with a maximum term of 30 years, at low interest rates. The EIDL program will be administered by the SBA and will be available for uninsured or otherwise uncompensated losses. It provides relief from economic injury caused directly by the disaster and permits the business or private nonprofit to maintain a reasonable working capital position during the period affected by the disaster. These loans do not replace lost sales or revenue.

“This disaster assistance from the SBA is another resource to assist impacted businesses in Lawrence, North Andover and Andover as they move forward in the recovery process,” **said Massachusetts Emergency Management Agency Director**

Kurt Schwartz.

Today's announcement follows a recent meeting of impacted business owners, NiSource/Columbia Gas; the Municipalities of Lawrence, Andover and North Andover; the Commonwealth of Massachusetts; and local non-profit service providers convened by the Lawrence Partnership on Tuesday evening.

“Recognizing the urgent need to deploy a broad scope of services to effected businesses, a coalition of local stakeholders has come together to develop, implement, and coordinate customized business support services to not only help these businesses get their doors open again, but to ensure that they have access to the resources to get their customers back in the future and even further down the road,” **said Lawrence Partnership Executive Director Derek Mitchell.**

“MCCI is pleased to provide ongoing support, including managing the emergency loan fund for the businesses that were affected by the gas disaster,” **said Mill Cities Community Investments Executive Director Frank Carvalho.** “MCCI is properly staffed culturally and linguistic to provide this most needed service and we thank our community lending partners and MGCC for making this resource available to help our business community.”

“The participation of 22 financial institutions responding to small businesses during this crisis is unprecedented,” **said Mass Growth Capital Corporation President Larry Andrews.** “It is a testament of their commitment to the communities that these banks and credit unions serve. More importantly, it shows their acknowledgement to the vital role of small businesses in the Commonwealth. And now with the SBA economic injury disaster loan, small businesses will benefit from more options, access to increased capital and support, both in the near- and long-term.”

“This incident has been catastrophic for our restaurant,” **said Danielle Berdahn, owner of Yella Restaurant in Andover.** “The resources have been crucial in assisting us in the remediation and reconstruction of my business. It has given me hope that we can rebound from this incident.”

Merrimack Valley Small Business Emergency Loan Fund Details

Overview

Any business that has been impacted by the recent gas disaster will qualify for the funds, including businesses from Lawrence, Andover and North Andover.

This fund is being offered with no payments and no interest for the first 6 months. For businesses that extend beyond a 6 month period, market rates will apply and loans can be extended or restructured for multi-year term loans. Businesses can apply for up to \$50,000. There is no minimum loan amount.

How to Apply

The fund is designed to create an expedited application and approval process, with

the goal of getting all applications processed within 24 to 48 hours.

Mill Cities Community Investments will receive all applications for this fund and will process internally.

Contact MCCI by phone, email, or in-person at:

50 Island Street, Suite #103

Lawrence, MA 01840

978-258-2772

For a full listing of required documentation go to

www.wearelawrence.org/lawrencegasresponsebusiness.

SBA Economic Injury Disaster Loan Details

Overview

Businesses and private nonprofits impacted by the September 13th gas line incident in Lawrence, North Andover and Andover can apply for Economic Injury Disaster Loans (EIDL), low-interest loans from the U.S. Small Business Administration (SBA). The loans will be available to businesses and private non profits of Essex County and all contiguous counties (Middlesex and Suffolk Counties in Massachusetts and Hillsborough and Rockingham County in New Hampshire).

EIDLs provide operating funds until a business or private, non profit organization returns to normal operations. To the extent a business could have made payments had the disaster not occurred, it may use the loan to make payments on short-term notes, accounts payable and installment payments on long-term notes. These loans are for economic losses **due to the declared disaster**.

Loan maximum is \$2 million (actual loan amounts are based on amount of economic injury): 30 year maximum term; interest rates TBD for new declarations, however, historically EIDLs have offered 4% fixed (small businesses) and 2.65% (non profits); no upfront fees; no prepayment penalties.

How to Apply

SBA Customer Service Representatives will be available at the SBA Disaster Loan Outreach Center in Lawrence to answer questions about the loan program, explain the application process and help individuals complete their application. Applications will subsequently be reviewed by SBA to determine if the applicant is qualified for the loan. No appointment is necessary.

Olde Station Square Building

65 Merrimack Street

Lawrence, MA 01843

Hours of Operation:

Thursday, October 25, 11:00 a.m. – 6:00 p.m. (opening day)

Friday, October 26, 9:00 a.m. – 6:00 p.m.
Saturday, October 27, 10:00 a.m. – 2:00 p.m.
Sunday, October 28 CLOSED
Monday – Wednesday, October 29 – 31, 9:00 a.m. – 6:00 p.m.
Thursday, November 1, 9:00 a.m. – 4:00 p.m. (closing day)

SBA Applicants may also apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>.

Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov (link sends e-mail) for more information on SBA disaster assistance. Individuals who are deaf or hard of hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Resources for Impacted Businesses

Impacted businesses should also contact the Columbia Gas claims line or visit a Columbia Gas ["Back-to-Business" Center](#) to file claims and for other business recovery resources and information.

About Massachusetts Growth Capital Corporation

MGCC is a quasi-public corporation of the Commonwealth that saves and creates jobs at small businesses, including women, immigrant, veteran and minority owned businesses, by providing financial services and managerial assistance. MGCC also promotes economic development throughout the state, focusing on Gateway Cities and low to moderate income communities. MGCC works with traditional financial institutions to make challenging loans bankable, working with community development corporations and other non-profits to provide financing for job-producing projects, and assisting a wide range of small businesses find the growth capital they require. Since inception, we have served over 8,850 small businesses, positively impacted more than 21,200 jobs with customized working capital financing commitments totaling over \$120,000,000. For more information, visit: empoweringsmallbusiness.org.

About Lawrence Partnership

The Lawrence Partnership is a private/public sector collaboration for the economic development and general improvement of the City of Lawrence. Lawrence Partnership, is a 2016 winner of the Gateway Cities Innovation Award. For more information, visit lawrencepartnership.org.

About Mill Cities Community Investments

Mill City Community Investments, a local Community Development Financial Institution (CDFI) is the lender, underwriter and servicer of all loans under the newly created MCCI Merrimack Valley Emergency Loan Relief Loan Fund. The fund will service businesses in Andover, North Andover and Lawrence areas negatively impacted by the natural gas tragedy. MCCI is certified as a CDFI by the U.S. Treasurer

Department CDFI Fund, licensed as mortgage lender by the MA Division of Banks and as a Community Development Corporation by the Department of Housing and Community Development in Massachusetts. In addition to the loans, MCCI provides technical assistance to the businesses, an educational component that add value to the businesses helping them to stabilize or grow and prosper. For more information, visit mccinvest.org.

About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.

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