

The Virgin Islands Consortium

EDA Offering Up To \$75K In Low Interest Loans To Small And Medium-Size Businesses Affected By 2010 Storms

VIC News / **Published On February 05, 2016 09:27 PM /**

Staff **February 05, 2016**



ST. CROIX -- Continued efforts are being made by the Virgin Islands Economic Development Authority (V.I.E.D.A.) to encourage small and medium-size businesses that have been affected by 2010 Tropical Storms Otto and Tomas to take advantage of its Post-Disaster Relief Revolving Loan Program, according to a press release issued on Friday. The program is funded by the Economic Development Administration through the U.S. Department of Commerce to be administered by the Economic Development Bank, an entity of the VIEDA.

The Post-Disaster Relief Revolving Loan Program was created for small-to-medium-size businesses affected by Tropical Storms Otto and Tomas in 2010. It includes businesses and dislocated workers that desire to re-establish, expand, or open their own business to hire or retain skilled workers. The federal disaster relief project is for businesses with 500 employees or less, that are in the commercial, manufacturing, retail, construction and business service industries in the territory.

"We are encouraging eligible businesses that have experienced challenges following natural disasters such as Tropical Storms Tomas and Otto," said VIEDA Acting Chief Executive Officer Wayne Biggs, Jr. "This program is designed to help ensure that these small-to-midsize businesses have an opportunity to secure financing that can assist them in moving forward with their business operations."

Under the program, the maximum loan amount is \$75,000 with a maximum interest rate of 12 percent and a maximum repayment term of 15 years. These loans can be used to purchase equipment, machinery, inventory and supplies for leasehold improvements and for working capital, according to the release. Some restrictions apply on the use of funds, it added.

In May 2013, V.I.E.D.A. applied for and was awarded a \$2 million grant from the U.S. Economic Development Administration to support the creation of the V.I.E.D.A.'s Post-Disaster Revolving Loan Fund to help small and medium-sized enterprises. The government agency is also matching \$409,638 in compliance with the agreement, for a project cost of more than \$2.4 million, according to the release.

In 2010, the U.S. Virgin Islands suffered severe damage from Tropical Storms Otto and Tomas. In that year, President Barack Obama signed the disaster declaration for the U.S. Virgin Islands after the impact on the territory by both storms that occurred in October and November respectively.

The U.S. Small Business Administration, citing the Institute for Business and Home Safety, said that an estimated 25 percent of small and medium-sized businesses hit by a major storm do not reopen.

For more information, contact the Economic Development Bank at 340-714-1700 on St. Thomas or 340-773-6499 on St. Croix.