

**Small Business Administration (SBA) ‘Hardship’
Frequently Asked Questions
(as of January 16, 2015)**

*Note: The deadline to submit SBA Hardship requests has been **extended** from January 16, 2015 to March 31, 2015.*

What is an SBA loan?

SBA loans are a form of post-disaster assistance provided by the U.S. Small Business Administration (SBA) to help individuals repair or replace damaged items/properties.

Why is NY Rising interested in my SBA loan?

Since NY Rising provides aid to storm-damaged homeowners, small businesses and communities, it is required by the federal government to deduct other funds (that are intended for the same purpose) from your NY Rising grant award. SBA loans are an example of such funds and are also known as “duplication of benefits.”

What types of SBA loans are considered to be a duplicative benefit?

SBA Real Estate and Mitigation loans are intended for the same purpose as NY Rising awards and are therefore considered duplicative benefits.

I previously received funds from NY Rising, which didn’t have my SBA loan applied as a duplication of benefits. Does that mean that my loan is not considered to be duplicative assistance?

No. Your approved loan is considered to be duplicative assistance. Previously, when NY Rising issued awards, it only applied the disbursed amount as a duplication of benefits. Now, NY Rising is required to apply the current amount of your SBA loan as a duplication of benefits and that amount must be applied to your award unless an applicant proves hardship.

I cannot afford to draw down my SBA loan, but I need the funds to complete the repairs to my home. May I make a request to NY Rising to not count the loan as a duplicative benefit?

Yes. Recognizing the real-life needs of those being served, NY Rising has created a “Hardship” process, thereby enabling you to demonstrate that the cost associated with the repayment of your SBA loan may be unduly burdensome. This process considers the loan’s prospective increase to your household debt in relation to your household income. If Hardship is approved, a NY Rising grant of the same amount would be considered reasonable.

How do I know if I need to apply for Hardship?

If your current SBA loan amount is greater than the amount you previously drew down, then you have the opportunity to prove hardship.

I drew down some of my SBA loan and the loan payments to SBA are causing me a financial hardship. May I apply for Hardship for that amount?

No. **NY Rising is required to apply** the entire disbursed SBA loan amounts as a duplicative benefit. A Hardship application will not be able to change this status.

I drew down the full amount of my SBA loan. May I apply for Hardship?

No. If you received the full loan amount, you do not need to submit a Hardship request. NY Rising is required to apply the full disbursed amount as a duplication of benefits to your award

Am I obligated or required to apply for Hardship?

No. Applying for Hardship is not a prerequisite for receiving NY Rising grants. If you were approved for an SBA loan and do not apply for Hardship, the current available amount of the SBA loan will be applied as a duplication of benefits to your award.

Applying for SBA Hardship

How do I apply for Hardship with NY Rising?

To apply for Hardship, you may ask your NY Rising customer representative for a “Loan History Form” and submit the completed form, indicating the reasons that you cannot avail yourself of the available SBA assistance. You should also submit the documentation needed to prove your household income and household debt.

How does NY Rising determine whether I have a hardship?

The hardship determination process considers the loan’s prospective increase to your household debt in relation to your household income. All debt that your household is claiming on the Loan History Form must be accompanied with supporting documentation such as receipts or payment statements.

What types of household debt may I include in my Hardship application?

Examples of household debt include:

- Housing expenses (such as mortgage payments, home equity lines of credit, gas/electric/oil payments, water/sewer, homeowner association payments, rental payments if displaced from your primary residence and not participating in the Interim Mortgage Assistance (IMA) Program, property taxes, homeowners insurance, flood insurance);
- The additional housing expenses you would incur if you were to avail yourself of the SBA loan;
- Other household debt (such as car loans/insurance, student loans, credit card monthly payments).

I had a life-changing circumstance since I applied for my SBA loan and I feel that I can no longer afford the loan. Do I still have to apply for Hardship?

Yes, you still need to apply for Hardship if you do not want the current loan amount applied as a duplication of benefits. You may indicate the life-changing circumstances on your Hardship application and the Program will take them into consideration.

Do I have to apply for SBA Hardship if I already canceled by SBA loan?

Yes, you must still apply and be approved for Hardship in order not to have the current available loan amount applied as a duplication of benefits to your NY Rising award.

If I do not qualify for Hardship will my NY Rising award be reduced?

Yes, the current available loan amount applied as a duplication of benefits to your NY Rising award, which may in turn reduce your award amount.

After Applying for SBA Hardship

If I do not qualify for Hardship how will I know?

You will receive a Hardship determination letter by email or mail. The letter will inform you as to whether your Hardship request was approved or not.

If I qualify for Hardship, will my NY Rising award change?

No. Previous awards that you may have received from NY Rising were calculated by applying the disbursed amount of your SBA loan. If your Hardship request is approved, this will not change.

If I qualify for Hardship, may I still draw down funds from my SBA loan?

No. If you draw down more of your SBA loan, NY Rising will receive notice from SBA and will be obligated to apply the amount you disbursed as a duplication of benefits to your NY Rising award.

If I qualify for Hardship am I obligated to cancel the remainder of my SBA loan?

Yes.

I only applied for an SBA loan because I was told that I had to. Do I have to apply for Hardship?

Yes.

Where do I get more information on applying for Hardship?

Contact your NY Rising customer service representative for more information on applying for Hardship. If you do not know who your customer service representative is, call 1-855-697-7263.