

Hurricane Helene Business Recovery Resources

10.15.2024

Hurricane Helene made landfall late in the evening on Thursday, September 26, 2024, as a Category 4 storm. The Hurricane's "largest impacts were across the southern Appalachians where widespread severe and unprecedented flooding occurred with hundreds of fatalities and billions in property damage." <https://www.weather.gov/ilm/Helene2024>. For the many businesses engaged in recovery, this client alert provides recommended steps with associated resources. For individuals and community organizers addressing more immediate survival and wellbeing needs, the Federal Emergency Management Agency (FEMA) makes location-specific information available at their website here: <https://www.disasterassistance.gov/>. North Carolina's Division of Emergency Management also regularly updates information on FEMA Disaster Recovery Centers, open shelters, unemployment assistance, and other response efforts here: <https://www.ncdps.gov/our-organization/emergency-management/hurricane-helene>.

(1) First Step: Insurance.

1. Obtain and review a complete copy of your insurance policy(ies) to confirm what coverage may be available. Start with the definitions and read them carefully. Discuss your coverages with *your agent* (the person you dealt with in obtaining coverage). If you are unsure, do not make your own decision about coverage, or lack of coverage, without consulting your agent or an attorney. For example, all water damage from this event was not necessarily flood damage and therefore may be covered in the absence of flood insurance.
2. Be sure to note and calendar deadlines; missing a deadline can be unforgiving. Any tasks that must be completed within a "reasonable" amount of time should be addressed as soon as practicable. Notify your insurer.
3. For any insurance under which you may have a claim, send notice to the insurer as soon as possible. While great detail is not required, be sure to follow the directions in the applicable policy for providing notice. Be able to prove you sent notice.
4. Document your damages, mitigate what you can, and be aware of an insurer's potential salvage rights. Photograph your property, make detailed notes of your clean up actions, save records or receipts for all recovery expenses, and do not dispose of any property that may be salvageable.

(2) Second Step: Register with the Federal Emergency Management Agency (FEMA).

Federal recovery aid available to businesses is provided through the Small Business Administration (SBA), but businesses must first apply through FEMA. Applications may be submitted online (www.disasterassistance.gov), via the FEMA disaster app on a smartphone (<https://www.fema.gov/about/news-multimedia/mobile-products>), or by phone (800-621-3362). Applications also may be submitted in person via SBA Business Recovery Centers in Buncombe County, Watauga County, and Charlotte (<https://sbt dc.org/hurricane-helene/business-recovery-centers>).

(3) Third Step: Connect with a business disaster recovery advisor.

The Economic Development Partnership of North Carolina (EDPNC) and the Small Business Technology Development Center (SBTDC) provide free counseling related to damage assessment and next steps.

1. EDPNC staff will connect your business to an appropriate organization for assistance. All inquiries will receive a response from a confidential business counselor within two (2) business days. Se Habla Español. Phone: 800-228-8443; email: sbadvisors@edpnc.com. EDPNC also publishes resources for businesses, including grants and loans, here: <https://edpnc.com/resources/publications/disaster-recovery-resources/>.
2. SBTDC business counselors can help with assessing financial impacts, developing strategies for recovery, reconstructing financial statements, and evaluating options. SBTDC also publishes recourse for businesses, including information on tax relief and government contracting opportunities, here: <https://sbt dc.org/hurricane-helene>. Tax relief information also is available here: <https://www.ncdor.gov/hurricane-helene>.

(4) Fourth Step: If needed, apply for financial assistance.

SBA provides two types of low-interest loans for disaster recovery, and Mountain BizWorks provides bridge financing as well. Deferments on existing loans also may be available.

1. Business Physical Disaster: These are loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery, and equipment. Businesses of any size are eligible and the maximum loan is \$2 million. For entities not able to obtain credit elsewhere, the interest rate will not exceed four percent (4%) and the payment period is thirty (30) years. For entities with access to other credit, the interest rate is eight percent (8%) and the payment period is seven (7) years. For all entities, the first payment is deferred for twelve (12) months without interest accruing. Additionally, no prepayment penalties apply. Applications must be made by November 27, 2024. More details are available here: <https://www.sba.gov/funding-programs/disaster-assistance/physical-damage-loans#id-business-physical-disaster>.

2. **Economic Injury Disaster Loans (EIDL).** These are working capital loans to help small businesses and non-profit organizations meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. The loans are intended to assist through the disaster recovery period. EIDL assistance is available only to small businesses and only after SBA determines that the business is unable to obtain credit elsewhere. No maximum principal amount applies, but an entity cannot borrow more than \$2 million from SBA under a combination of property and economic injury loans. Applications must be made by June 30, 2025. More details are available here: <https://www.sba.gov/funding-programs/disaster-assistance/economic-injury-disaster-loans>. SBA representatives also are available at all FEMA Disaster Recovery Centers. Appointments may be scheduled in advance online. See <https://www.sba.gov/document/information-notice-5000-20004-deferments-sba-7a-504-business-loans-microloans>.
3. **Helene Business Recovery Loans.** Mountain BizWorks' rapid recovery loans are intended to bridge funding gaps in SBA, FEMA, and other long-term financial recovery assistance. Up to \$100,000 is available at an interest rate of one percent (1%) for the first year and six percent (6%) thereafter. Repayments in the first year are interest only. The maximum repayment period is six (6) years. More details are available here: <https://www.mountainbizworks.org/helene/fund/>.

(5) Fifth Step: If needed, file an Unemployment Insurance (UI) claim.

For those not eligible for unemployment insurance, business owners or employees may be eligible for Disaster Unemployment Assistance (DUA), including self-employed owners as well as farmers and commercial fishers. The deadline to apply is December 2, 2024. More information is available here: <https://www.des.nc.gov/dua>.

(6) Sixth Step: Consider potential business opportunities.

The State's response and recovery involves substantial vendors. More information on the contract process is available here: <https://sbtcd.org/hurricane-helene/contracting-opportunities>. The Department of Transportation also provides additional detail here: <https://connect.ncdot.gov/business/Pages/default.aspx>.

(7) Seventh Step: Be diligent as you look ahead.

- Be wary of price gouging, misinformation, and scams. Charging too much once a disaster is declared generally is illegal under North Carolina law. More information on consumer tips and other resources are made available by the Department of Justice here: <https://ncdoj.gov/helene/>.

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- Rumors of direct grants or paying money upfront for a larger return later are common after a disaster and likely fraudulent. Proceed carefully and rely on trusted resources.
- Remember also that records and receipts will be essential for reducing tax liability once returns are due. Take notes and stay as organized as feasible in your recovery.

Brooks Pierce joins many other communities and organizations in recognizing the extreme impacts of Hurricane Helene and the great recovery effort required. For attorneys and paralegals interested and able to lend pro bono services, add your name with ours at <https://www.ncbarfoundation.org/our-programs/disaster-legal-services/> (NC attorneys) or <https://www.ncbar.gov/news-publications/news-notices/2024/10/supreme-court-allowing-non-nc-lawyers-to-provide-pro-bono-legal-services-to-helene-victims/> (attorneys not barred in NC).