

From: Coriell, Scott [Scott.Coriell@vermont.gov]
Sent: Tuesday, August 04, 2015 9:18 AM
To: Coriell, Scott
Subject: Gov. Shumlin & Mayor Lauzon Announce Flood Assistance Loan Program
Attachments: 2015 Emergency flood loans fact sheet VEDA.pdf

FOR IMMEDIATE RELEASE

August 4, 2015

Gov. Shumlin & Mayor Lauzon Announce Flood Assistance Loan Program

MONTPELIER – Gov. Peter Shumlin, Barre Mayor Thom Lauzon, and the Vermont Economic Development Authority (VEDA) today announced a loan program to assist Vermont owners of rental housing properties damaged by the July 2015 flooding that affected Barre, Plainfield, and surrounding areas. While businesses and homeowners have access to flood assistance programs, non-occupier owners of rental properties fall through a gap. The program announced today is designed to give those individuals assistance as they work to rebuild from the flooding.

“I’m always amazed at the resilience of Vermont communities after the flood waters recede and it’s time to rebuild,” Gov. Shumlin said. “As Vermonters we come together to help our neighbors recover and this program is one way we are doing that.”

“As we moved from emergency response to recovery, it became apparent that there were no programs available to assist multi-family property owners in affected communities,” Lauzon said. “Many of these properties will require significant repairs and clean-up in order to put them back to pre-flood condition. Left unchecked, the lack of resources would have devastated hard working property owners, tenants and ultimately, the entire neighborhood. I’m grateful to Governor Shumlin and the Vermont Economic Development Authority for recognizing this need and quickly effecting a solution. One of the most difficult things as a mayor is to watch your neighbors struggle without the resources to assist them. This program closes the gap and makes it easier for our neighborhoods to recover.”

Owners of multi-family rental housing properties that sustained physical flood-related damage during the July 2015 floods are eligible to participate in the program. Allowable project costs include those for documented cleanup reimbursement costs, replacement of furnaces and other machinery and equipment, repair of structural damage, and other costs directly related to flood damage.

The interest rate for the program will be zero percent for the first two years with no payments required for the first six months. Thereafter, principal only payments will be required during the next 18 months. Following that for the next three years, the interest rate on the loan will be two percent fixed and monthly principal and interest payments are required. The term of the loan will be five years. Payments will be amortized over 15 years.

VEDA will generally secure the loan with a mortgage on the project property and the personal guarantees of the owners. Loan applicants must demonstrate repayment ability. The only fee is for mortgage recording which can be deducted from the loan proceeds. The maximum loan amount is \$10,000, unless there are special circumstances.

Applications for financing may be obtained via phone at (802) 828-5627, at VEDA's offices in Montpelier or may be downloaded at www.veda.org. A fact sheet is attached with general information about the program.

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2015 EMERGENCY FLOOD ASSISTANCE LOAN PROGRAM

VEDA's 2015 Emergency Flood Assistance Loan Program is available to assist Vermont owners of multi-family rental housing properties in their efforts to recover from direct physical damage to their properties caused by the July 2015 flooding.

Eligibility

Borrowers eligible to participate are owners of multi-family rental housing properties that sustained physical flood-related damage during the July 2015 floods.

Loan Purposes

Allowable project costs include those for documented cleanup reimbursement costs, replacement of furnaces and other machinery and equipment and repair of structural damage, and other costs directly related to flood damage.

Interest Rates/Terms and Fees

The interest rate in this Program will be zero percent (0%) for the first two years with no payments required for the first six months. Thereafter, principal only payments will be required during the next 18 months. Following that for the next three years, the interest rate on the loan will be two percent (2%) fixed and monthly principal and interest payments are required.

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Loan Amounts

The maximum loan amount is \$10,000, unless there are special circumstances.

How do I apply?

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Please contact VEDA at (802) 828-5627 or info@veda.org for more information.