

Hurricane Sandy Disaster Relief Guide

The impact of Hurricane Sandy on the area and our clients has been severe. In an effort to assist our impacted clients, we have prepared this Disaster Relief Guide that outlines some of the forms of relief available. In addition, our offices are open and ready to aid our clients with their legal needs during the recovery from the effects of Hurricane Sandy. Along with providing assistance with the Federal and State aid application process, we also offer legal services such as: analysis of insurance coverage; assistance with emergency and other special financing; review and analysis of repair contracts; review and analysis of vendor contracts; landlord disputes; and real estate tax appeals.

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Private Relief Programs

During Sandy’s aftermath, within 24 hours, we were able to leverage our existing relationships with banks and other sources of emergency private funding to assist our clients in beginning the process of recovery.

Federal and State Programs

There are a number of Federal and State emergency aid and financing programs available to businesses that suffered losses as a result of Hurricane Sandy. The following general information details locating and applying for assistance under the various federal programs.

The New Jersey Office of Emergency Management

Find lists of running pharmacies, hotels, restaurants, and gas stations at <http://www.state.nj.us/njoem/>.

DisasterAssistance.gov

The Federal Government has a website that allows people to apply for assistance online for disaster relief assistance:

<http://www.disasterassistance.gov/>

This website consolidates the application process across several Federal agencies, including FEMA and the Small Business Administration. The website also reduces the number of forms you will ultimately have to fill out, shortens the time it takes to apply, and allows you to check the progress of your applications online.

If you want to apply by phone rather than the Internet, you can call 1-800-621-FEMA (1-800-621-3362).

Senators Frank Lautenberg and Robert Menendez also are assisting New Jersey residents affected by Sandy. Information can be found at: <http://www.lautenberg.senate.gov/>; <http://www.menendez.senate.gov/>.

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DisasterAssistance.gov provides information on how you might be able to get help from the U.S. Government before, during and after a disaster.

This site helps you:

- Learn what help you might be able to apply for from 17 government agencies in Spanish and English
- Reduce the number of forms you have to fill out
- Shorten the time it takes to apply for aid
- Check the progress of your applications online
- Continue to receive benefits from government programs even if you have to leave your home
- Apply for help from FEMA online
- Learn about Small Business Administration loans using an online application
- Have your Social Security benefits sent to a new address
- Find federal disaster recovery centers near your current address
- Search a list of housing available for rent
- Get information about your federal student loan
- Get help from the Department of State if you are affected by a disaster while living or traveling outside the U.S.

DisasterAssistance.gov also provides information to help you prepare for, respond to and recover from disasters. You can:

- Get the latest news on declared disasters
- Find information about:
 - Evacuating
 - Finding shelter
 - Getting food and water
 - Getting medical services
 - Locating loved ones
 - Recovering and rebuilding the areas of your life that were affected by the disaster

To locate resources in your community that can help you move forward, contact NJEDA Disaster assistance for businesses at: <http://www.njeda.com>.

Important Phone Numbers

- FEMA: 1-800-621-3362 • NY Hurricane Sandy Helpline: 1-888-769-7243 or 1-518-485-1159
- NJ Helpline: Dial 2-1-1 or 877-652-1148

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SBA Business Disaster Loans

Program Description

The U.S. Small Business Administration (SBA) is responsible for providing affordable, timely and accessible financial assistance to non-profits and businesses of all sizes located in a declared disaster area. Financial assistance is available in the form of low-interest, long-term loans for losses that are not fully covered by insurance or other recoveries.

SBA's disaster loans are the primary form of Federal assistance for the repair and rebuilding of non-farm, private sector disaster losses. The disaster loan program is the only form of SBA assistance not limited to small businesses.

Business Physical Disaster Loans – These loans can provide a non-profit or business of any size with up to \$2 million (actual loan amounts are based on amount of uncompensated damage) to repair or replace real property, machinery, equipment, fixtures, inventory, and leasehold improvements. In addition, disaster loans to repair or replace real property or leasehold improvements may be increased by as much as 20 percent of the verified loss to protect the damaged property against possible future disasters of the same type.

The Economic Injury Disaster Loan Program (EIDL) – An EIDL can provide up to \$2 million of financial assistance (actual loan amounts are based on amount of economic injury) to small businesses or private, non-profit organizations that suffer substantial economic injury as a result of the declared disaster, regardless of whether the applicant sustained physical damage.

An EIDL can help you meet necessary financial obligations that your business or private, non-profit organization could have met had the disaster not occurred. It provides relief from economic injury caused directly by the disaster and permits you to maintain a reasonable working capital position during the period affected by the disaster. An EIDL does not replace lost sales or revenue, however.

By law, the total amount of a physical loan, economic injury disaster loan and mitigation funds cannot exceed \$2 million.

General Program Requirements

To be eligible for SBA assistance, businesses or private non-profit organizations must have sustained physical or economic damage and be located in a disaster declared county.

Application Process

For application information, please call 1-800-659-2955, visit <http://www.sba.gov/content/business-physical-disaster-loans> or email DisasterCustomerService@sba.gov.

Program Contact Information

For more information on this program, please visit: <http://www.sba.gov/content/business-physical-disaster-loans>

Managing Agency

U.S. Small Business Administration (<http://www.sba.gov>)

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Business and Industrial Guaranteed Loans Program

Program Description

The purpose of the Business & Industrial (B&I) Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits.

General Program Requirements

A borrower may be:

- An individual
- A cooperative organization, corporation, partnership, or other legal entity organized and operated on a profit or nonprofit basis
- An Indian tribe on a Federal or State reservation or other Federally recognized tribal group, or
- A public body.

A borrower must be engaged in or proposing to engage in a business that will:

- Provide employment
- Improve the economic or environmental climate
- Promote the conservation, development, and use of water for aquaculture, or
- Reduce reliance on nonrenewable energy resources by encouraging the development and construction of renewable energy systems.

Individual borrowers must be citizens of the United States or reside in the U.S. after being legally admitted for permanent residence. Corporations or other non-public body organization-type borrowers must be at least 51 percent owned by persons who are either citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence. B&I loans are normally available in rural areas.

Application Process

Complete applications should be sent to the USDA Rural Development State Office for the project location. Loan applications can be found by visiting http://www.rurdev.usda.gov/rbs/busp/b&i_gar.htm.

Program Contact Information

A list of offices and additional information can be obtained at: http://www.rurdev.usda.gov/recd_map.html. For more information please visit: http://www.rurdev.usda.gov/rbs/busp/b%26I_gar.htm.

Managing Agency

U.S. Department of Agriculture (<http://www.usda.gov/>)

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National Flood Insurance Program (NFIP)

Program Description

Congress created the National Flood Insurance Program (NFIP) in 1968. The NFIP, managed by the Federal Emergency Management Agency (FEMA), enables homeowners, business owners and renters in participating communities to purchase federally backed flood insurance. This insurance offers an insurance alternative to disaster assistance to meet the escalating costs of repairing flood damage to buildings and their contents.

General Program Requirements

Some forms of disaster assistance will require that flood insurance is obtained and maintained for different lengths of time. Refer to those programs to learn their specific requirements. Federal flood insurance, however, is not a disaster assistance program. It is an insurance program established to help property owners to recover more quickly and at less cost. For example, disaster loans have to be repaid along with any other outstanding mortgages; flood insurance payments do not have to be repaid. Flood insurance is available to property owners and renters, even if they have had a claim before, as long as they live in a participating community.

Application Process

To apply for this program please contact FEMA at 1-800-621-FEMA (1-800-621-3362) or visit:

<http://www.fema.gov/assistance/index.shtm>.

Program Contact Information

Your community maintains a repository of Flood Insurance Rate Maps (FIRMs) that you can view to determine whether your property is located in a high-risk or a moderate-to-low-risk area. These maps are usually available at the planning and zoning department where building permits are obtained. They also may be found online at:

<http://msc.fema.gov>

If you still have questions after obtaining your flood hazard zone, you may call a FEMA mapping specialist toll free at: 1-877-336-2627

Participating communities agree to adopt and enforce floodplain management ordinances to reduce future flood damage. There are now more than 20,600 participating communities across the United States and its territories.

Federal flood insurance is available for residents and business owners in both high-risk and moderate-to-low risk areas. The insurance is required for buildings in high-risk areas that have loans from federally regulated or insured lenders. This requirement extends to disaster assistance loans from the Small Business Administration. However, you don't need to have a mortgage or SBA loan or live in a high-risk area to obtain flood insurance. It is available community-wide, with premiums that vary according to the level of risk. In fact, about 25 percent of all flood claims occur in moderate- to-low- risk areas, and premiums start as low as \$119 per year.

Anyone living in a participating community should consider flood insurance before the next flood occurs. Flood insurance, like other property and casualty coverage, is written by licensed insurance agents. The agent who writes your homeowners or property insurance should be able to assist you in determining your eligibility and coverage options.

For more information about the National Flood Insurance Program (NFIP), visit: <http://www.fema.gov/business/nfip/>

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To learn more about your flood risk and flood insurance options or to locate an agent call 1-888-724-6353 toll free or visit: <http://www.FloodSmart.gov>

Managing Agency

U.S. Department of Homeland Security (<http://www.dhs.gov/>)

Contractor Due Diligence

Prior to engaging any contractors to undertake any repair work to your home, the homeowner should undertake some basic due diligence to ensure that the contractor is reputable. The following guidelines may be helpful:

- Be aware of contractors that knock on your door offering their services, especially those from out of state. Local contractors may provide the best services but the homeowner needs to ensure that local contractors have the expertise for the work involved.
- Before hiring the contractor, you should request a copy of the contractor's liability insurance policies and call the insurance carrier to confirm coverage.
- Avoid paying any large deposit and, after payment of any deposit, do not pay for any services that have not yet been performed.
- Do not make final payment until your town's building inspector has provided a final certificate of occupancy to the extent a building permit is required and issued for the repair work.
- Always ask for references as to any contractor and check out the references.
- Make sure that the contractor's New Jersey registration number is clearly displayed on all its advertisements, contracts, correspondence and other business documents.

All home repair contractors operating in the state of New Jersey must be registered with the New Jersey Division of Consumer Affairs. The New Jersey Contractors' Registration Act is intended to protect homeowners by requiring that no person shall offer to perform, or engage, or attempt to engage in the business of making or selling home improvements unless registered with New Jersey Consumer Affairs. There are only a limited number of exemptions to registration. To confirm that your contractor is duly registered, and whether the contractor has been the subject of any consumer complaints, the homeowner may contact the Division of Consumer Affairs at 800-242-5846.

For general information regarding contractors, visit www.njconsumeraffairs.gov/ and <https://newjersey.mylicense.com/verification/> as to specific licensing matters.

Rent Relief

If you are renting a home, here are some tips that may aid in recovery:

- **Lease Review** – Review leases for any provisions relative to rent abatements in the event of a natural disaster, act of God, etc. Also, if the landlord is obligated to provide essential services (i.e. utilities) that are not yet available thus making the premises uninhabitable, that may be a basis to stop rent until those services are provided.
- **Insurance Review** – Check with insurance carrier as to any coverage that may be available on a tenant's policy that may cover rent for the period of time that you cannot occupy the premises.
- **Subsidized or Qualified Housing** – If they rent under a subsidized or qualified housing program such low-income housing, age-restricted housing, etc., check to see if any programs are available under those housing programs that provide for rent abatement or rent deferral.
- **Building Inspection** – Confirm with local building inspector that the leased premises are habitable and not deemed unsafe for occupancy. If this information was provided to the landlord, tenants may not have been notified of same.

Rent Relief Continued

- **Rent Relief** – If you're experiencing difficult time due to storm damage, ask the landlord to defer or abate rent. One option is to abate or defer rent for a month or two, but commit to extend the lease for that additional month or two that is abated or deferred as a concession back to the landlord. If the lease is close to renewal, negotiate now and agree to extend for a year provided a free month or more of rent is given now. If no real estate broker is involved and a commission is not a cost to the landlord, this may be very attractive.
- **Security Deposit** – Request that the landlord deduct from the security deposit a month or more of rent so that the tenant need not come out-of-pocket during these difficult times.

Disaster Unemployment Assistance for Workers Furloughed or Temporarily Laid Off

This site will give our business clients the information they need to relay to their furloughed workers to enable these workers to access Sandy-related emergency unemployment benefits:

http://lwd.dol.state.nj.us/labor/lwdhome/press/2012/20121101_DisasterUIAssistance.html

The U. S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) announced it approved Governor Chris Christie's request to add two New Jersey counties to the list of eight counties that already have qualified for federal Disaster Unemployment Assistance as a result of Hurricane Sandy. Bergen and Somerset counties are now included in this special assistance program, which already is being offered to people in and around portions of New Jersey that were declared a federal disaster area, including Atlantic, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union counties. Federal Disaster Unemployment Assistance (DUA) is available for persons, including self-employed individuals, who were living or working in the affected counties at the time of the disaster, and who are unemployed as a direct result of the damages caused by the storm.

Most impacted workers may already qualify for regular Unemployment Insurance. The federal DUA is a special program that covers many people who otherwise may not be eligible for regular Unemployment Insurance. At this time, the DUA is available only in connection with the 10 counties now declared a federal a disaster area. Additional counties may be added to the disaster declaration following continued damage assessments by local officials, representatives of the New Jersey Office of Emergency Management and the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA).

If you are unemployed because of the disaster that began on Oct. 28, you should FIRST file for unemployment insurance benefits through the Internet by going to www.njuifile.net. The Internet processes claims faster. However, if needed, people may also file a claim by telephone by contacting the state Department of Labor's Re-employment Call Centers at:

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- North Jersey (201) 601-4100
- Central Jersey (732) 761-2020
- South Jersey (856) 507-2340

A 30-day deadline ending December 3, 2012 is in effect for filing DUA claims resulting from Hurricane Sandy. For more information on DUA, go to <http://lwd.dol.state.nj.us/labor/ui/aftrfile/dua.html>. For additional information regarding Disaster Unemployment Assistance or for FEMA services please call the FEMA emergency number at 1-800-621-FEMA (3362) or 1-800-462-7585 (TTY) for the hearing and speech impaired. Information is also available via the Internet at www.disasterassistance.gov and www.fema.gov.

Relief Guide ... continued

Post-Sandy Recovery – 5 Crucial Tips to Aid in Your Company’s Disaster Plan and Recovery

- 1. Identify Your Essential Personnel** – those you believe are vital to the continued operations of your company during an anticipated “disaster timeframe” -- such as we have seen here in the aftermath of Hurricane Sandy where power and communications were out of service for an extended period of time.
- 2. Establish a Contingency Plan** – the plan should identify your company’s strategic assets such as IT capabilities, communications assets, human resources, etc. and should detail the primary and secondary responsibilities of each of your essential personnel during the disaster timeframe – be sure to include redundancies for each of these personnel in the event any one of them is unable to implement their assigned responsibilities.
- 3. Establish a Communication Plan** – the plan should incorporate multiple lines and layers of communications capabilities, even when power outages occur. Collect multiple contact source information – at the least, ensure the company has primary and secondary contacts – from all of your employees, not just your essential personnel. As part of your plan, you may consider arranging with your telephone service provider to activate an emergency toll-free number for communications with employees.
- 4. Review and Implement Applicable HR Policies** – these include applicable leave policies to handle disaster-related leave requests, including how such leave will be treated (i.e., paid or unpaid, use of vacation or personal time, etc.); employee assistance programs; and policies to determine paycheck distribution to employees during disaster-related work closures or because of a lack of power.
- 5. Sensitivity Training** – be aware of the needs of employees who may have experienced personal losses or sustained extensive property damage, or have in other ways been traumatized by the disaster.