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VIEDA Continues Post-Disaster Relief Revolving Loan Program

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The Virgin Islands Economic Development Authority (VIEDA) is continuing its efforts to encourage small-to-medium-size businesses that have been affected by Tropical Storms Otto and Tomas to take advantage of its Post-Disaster Relief Revolving Loan Program. This program is funded by EDA through the U.S. Department of Commerce to be administered by the Economic Development Bank (EDB), an entity of VIEDA. The loan program was created in 2010, and it includes businesses and dislocated workers who desire to re-establish, expand or open their own businesses to hire or retain skilled workers. This 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 U.S. Virgin Islands.

"We are encouraging eligible businesses that have experienced challenges following natural disasters such as Tropical Storms Tomas and Otto," said VIEDA Acting CEO Wayne L. 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. The loans can be used to purchase equipment, machinery, inventory and supplies, for leasehold improvements and for working capital. Some restrictions apply on the use of funds.

In May 2013, VIEDA applied for and was awarded a \$2 million grant from the U.S. Economic Development Administration (USEDA). VIEDA is matching \$409,638 in compliance with the agreement, for a project cost of more than \$2.4 million.

In 2010, the U.S. Virgin Islands suffered severe damage from Tropical Storm Otto and Tropical Storm Tomas. In that year, President Barack Obama signed the disaster declaration for the U.S.V.I.

The U.S. Small Business Administration (SBA) reports that according to the Institute for Business and Home Safety, an estimated 25 percent of small-and medium-sized businesses hit by a storm do not reopen afterwards.

For more information, contact EDB at 714-1700 on St. Thomas or 773-6499 on St. Croix.

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