



FEMA

DISASTER  
ASSISTANCE

# FACT SHEET

## Community Disaster Loan (CDL) Program

The Community Disaster Loan (CDL) Program provides operational funding to help local governments that have incurred a significant loss in revenue, due to a major disaster, that has or will adversely affect their ability to provide essential municipal services.

- The Stafford Act, Section 417, subparts 206.360 through 206.367, authorizes FEMA to provide direct loans to local governments who have suffered a substantial loss of tax and other revenues as a result of a major disaster and which can demonstrate a need for Federal financial assistance in order to perform its governmental functions.
- Local governments must show a substantial loss (greater than 5%) of tax and other revenues for the current or succeeding year as a result of a major disaster.
- Loan amounts may not exceed the lesser of 25% of the operating budget of the local government for the fiscal year in which the disaster occurred, or a cumulative estimated revenue loss for the fiscal year of the disaster and the subsequent three fiscal years, but shall not exceed \$5 million.
- The disaster must have adversely affected the level of essential municipal services previously provided.
- State law must not prohibit local governments from incurring indebtedness resulting from a federal loan.
- Capital outlays and debt service (interest and principal) for capital items will be excluded in the calculation of the applicant's operating budget.
- The term of the loan is five years, and can be extended to ten years, with the applicant selecting the payment schedule.
- The interest is the rate for the five year maturities as determined by the Secretary of the Treasury on the date the promissory note is executed, adjusted to the nearest 1/8<sup>th</sup> percent.
- FEMA will execute a promissory note to the applicant co-signed by the state. If the state cannot legally co-sign the note, the local government must pledge collateral security. Funds will be dispersed in accordance with the terms of the note.
- Funds must be used to carry on existing local government functions of a municipal operation character, or to expand such essential functions to meet disaster-related needs.
- FEMA will provide technical assistance to expedite the application and approval process.
- To initiate the process, the local government should contact the Governor's Authorized Representative and request an evaluation for loan eligibility.



**Hurricane Irene-4025 or Tropical Storm Lee-4030**

**Community Disaster Loan Program**

**Notice of Interest**

TO: Mr. David Holl  
Governors Authorized Representative  
Pennsylvania Emergency Management Agency  
2605 Interstate Drive  
Harrisburg, PA 17110

The purpose of this notice is to inform you of our interest in participating in the Community Disaster Loan (CDL) Program for the Federally declared disaster FEMA-\_\_ \_\_ \_\_ \_\_-DR-PA.

After submission we understand we will be contact regarding our attendance at a CDL program briefing.

Applicant Name: \_\_\_\_\_

County: \_\_\_\_\_

By: \_\_\_\_\_  
Applicant's Agent Signature

\_\_\_\_\_  
Printed Name of Applicant's Agent

\_\_\_\_\_  
Title of Applicant's Agent

\_\_\_\_\_  
Date

This form must be returned to PEMA by Febuary15, 2012 via  
Mail, Faxed to 717-651-2150 or E-mailed to RA-EMBORM@pa.gov