



From the OFFICE of the GOVERNOR

FOR IMMEDIATE RELEASE

September 30, 2016

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Community Disaster Loans Approved by FEMA

BATON ROUGE — Gov. John Bel Edwards announced that the Federal Emergency Management Agency (FEMA) approved his request to activate the Community Disaster Loan (CDL) program for the State of Louisiana, which will provide assistance to local communities impacted by severe storms and flooding in August.

“Our local municipal leaders have been incredible partners in our efforts to recover from historic flooding,” said Gov. Edwards. “They have been heroes on the ground fighting for the people of their communities every single day. Now that FEMA has approved the activation of the Community Disaster Loan program, assistance is available to the local governments and municipalities. We appreciate FEMA’s approval of our request, and we hope this will provide some relief to the local governments who are worried about how to deal with the unexpected costs associated with this flooding.”

The Stafford Act authorizes FEMA to provide direct loans to local governments who have suffered a substantial loss (greater than 5%) 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. The CDL program is one of the ways in which FEMA utilizes that authorization.

Funds loaned through this program 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. The term of the loan is five years but can be extended to ten years with the applicant selecting the payment schedule.

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.
- If the estimated revenue loss for the fiscal year of the disaster is at least 75% of the local government’s operating budget for that fiscal year, the loan may be 50% of the local government’s operating budget for the fiscal year of the disaster, but shall not exceed \$5 million.

[Click here to read more about FEMA's CDL program.](#)

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