

Congress of the United States
Washington, DC 20510

January 21, 2016

The Honorable Rick Snyder
Governor of Michigan
PO Box 30013
Lansing, MI

Dear Governor Snyder,

We write to urge you to immediately engage the Small Business Administration (SBA) to request a disaster declaration from Administrator Maria Contreras-Sweet which will allow eligible businesses, homeowners, renters and non-profit organizations impacted by the ongoing water crisis in Flint to apply for SBA disaster loans.

Disaster Loans are low interest, long term loans that are available to households, businesses or other organizations located in declared disaster areas that have suffered substantial economic injury or physical damage. As the Governor, you are able to request either a physical disaster or an economic injury disaster declaration. To receive a physical disaster declaration you would need to make a showing that least 25 homes or businesses have sustained uninsured losses of 40% or more. If the Administrator makes this declaration, homeowners, renters, businesses and non-profits in primary and contiguous counties could apply for disaster loan assistance. To receive an economic injury disaster declaration, you will need to certify that at least five small businesses in the disaster area have suffered substantial economic injury as a result of the disaster. Under an economic injury disaster declaration, eligible businesses would be able to apply for up to \$2 million in long term, low interest loans, depending on their circumstances. These loan proceeds can then be directed to working capital needs like making payroll or replacing inventories. We have heard from some impacted firms that have experienced disruption to their operations due to the events stemming from the decision to alter Flint's water supply. This decision and its ensuing economic impact has only exacerbated economic challenges that were already confronting the hard working Flint community.

We urge you to begin the process of due diligence to identify the appropriate course of action given the declaration criteria above. We urge you to work with local stakeholders to make this determination of which kind of declaration is appropriate given the fast moving situation on the ground in Flint. We have already made the SBA aware of the issues identified for us by our constituents and time is of the essence. We strongly urge you to execute the required due diligence and subsequent formal request submission in order to speed the consideration process at the SBA.

The full impact of the unacceptable, man-made crisis in Flint will not be knowable in the near term. What we do know is that the crisis is affecting Flint's economy. It is critical that you prioritize this request for a disaster declaration so that all of our constituents can assess whether a disaster loan is appropriate for their home, business or organization and submit their applications. Disaster Loans are not silver bullets that will cure all of the economic ills impacting Flint, but they can be helpful components of a broader recovery strategy which will require sustained commitment from you and your Administration. We stand ready to provide any support that you may require in your ongoing response to this unfortunate series of events, but we urge you to begin this process immediately to help Flint households and businesses mitigate the harmful impact of the water crisis.

Sincerely,



Debbie Stabenow
U.S. Senator

Gary Peters
U.S. Senator



Dan Kildee
U.S. Representative