

CNMI Receives \$88.7M FEMA Community Disaster Loan

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OAKLAND, Calif. — The Federal Emergency Management Agency (FEMA) approved a \$88.7 million low-interest Community Disaster Loan (CDL) to provide the Commonwealth of the Northern Mariana Islands (CNMI) operational funding to continue to function after the substantial revenue loss caused by multiple disasters in the Pacific.

“Super Typhoon Yutu had devastating consequences for the people and economy of the CNMI,” said FEMA Acting Regional Administrator Tammy Littrell. “The amount of this additional community disaster loan required approval by Congress, and we know it will help ensure essential functions and recovery continue.”

Following a major disaster, the financial capacity of local governments may be severely undermined by a decrease in local revenues. The reduction in tax or other revenue can limit their ability to maintain public services or afford many extraordinary but necessary expenditures. Revenue loss frequently occurs when significant portions of the population are displaced for extended periods of time, or key sources of economic activity, like tourism, are heavily disrupted by a disaster.

“The impact of Super Typhoon Yutu significantly affected our lives, our economy, and our government revenue, and so we initiated this request for a Community Disaster Loan to help us continue essential services during our long-term recovery,” said Governor Ralph DLG. Torres. “On behalf of the CNMI, we would like to thank our FEMA partners and key staff, especially Acting Administrator Robert J. Fenton, Jr. and FEMA Region IX, our CNMI Legislature for their due diligence in passing a resolution supporting our efforts, and Congressman Sablan for listening to our request for Congress to approve the appropriation.”

The shortage of revenues, and the resulting limitation on financial capacity, has been cited as one of the most significant and consistent hurdles to long-term disaster recovery. The CDL program provides loan assistance to local governments to help them overcome a loss in revenues. The core purpose of



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these community disasters loans is to permit the local governments to continue to provide municipal services, such as the protection of public health and safety and the operation of the public school system.

The government of CNMI and FEMA remain committed to the island's vision to build back better, safer and more resilient to future disasters.

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