



U. S. Small Business Administration

DISASTER ASSISTANCE

**Federal Disaster Loans for
Homeowners, Renters and Businesses of All Sizes**

Administrative (Agency) Declarations

When the PDA indicates damages are insufficient for a Presidential declaration, the Governor can request an Administrative declaration through the SBA Administrator.

To generally qualify:

At least 25 homes and/or businesses in a county must have uninsured losses of 40% or more of their estimated fair market value.



SBA Administrator
Karen G. Mills

The filing deadline for SBA declarations is 60 days from the date of the declaration for physical losses. The deadline to submit Economic Injury Disaster Loan (EIDL) applications is 9 months.

Declaration Differences

**In SBA-only declarations:
(Administrative/Agency)**

**SBA disaster loans for
property damage and
economic injury are available
in both the primary and
contiguous counties.**



Not Just for Small Businesses

- For physical damages from a declared disaster, SBA's disaster loans are available to more than just small businesses.
- SBA disaster loans are available to:
 - Homeowners
 - Renters
 - *Non-farm* businesses of all sizes
 - Private, non-profit organizations

Only for small businesses:

Economic Injury Disaster Loans (EIDLs):

- Are only available to small non-farm businesses, small agricultural cooperatives, and most private, non-profit organizations (PNPs).
- Help small businesses meet ordinary and necessary operating expenses/debts until they recover from the disaster.
- Provide working capital for disaster-related economic losses, even if the business did not have physical damage.

Making Recovery Affordable

- **The law gives SBA several powerful tools to make disaster loans affordable:**
 - **Low interest rates**
 - **Long terms (up to 30 years)**
 - **Refinancing of prior debts (in some cases)**

Requirements for loan approval:

- Eligibility – damaged property must be in a declared county.
- Credit History - Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay all loans.

** Only uncompensated losses (disaster losses not compensated by insurance or other recoveries, such as grants, sale of damaged property, etc.) are eligible.*



Current Interest Rates

Interest Rates for disasters occurring on or after October 21, 2011:

	Home	Business	EIDL	Non-Profit
No Credit Available	1.688%	4.00%	4.00%	3.000%
Credit Available *	3.375%	6.00%	N/A	3.125%

* Credit available elsewhere means that the disaster victim can provide for their own recovery through private sector borrowing on reasonable rates and terms without causing financial hardship, as determined by SBA.

The majority of SBA disaster loans are at the lower interest rates.

Home Repair/Replace:

Real Estate	up to \$200,000
Personal Property	up to \$ 40,000
Refinancing	up to \$200,000
Mitigation	20% of verified losses, up to \$200,000

Business Repair/Replace:

Real Estate/Machinery/Equip. \$2.0 Mil

**Furniture/Fixtures/Leasehold
Improvements**

Economic Injury (EIDL) \$2.0 Mil

** Combined loan limit cannot exceed \$2.0 Mil*

- A business loan may be increased for mitigation (preventative measures) by up to 20% of the verified loss.
- The \$2.0 million statutory limit applies to the total of all loans to a single borrower and its affiliates.
- SBA may waive the statutory limit if a business is a Major Source of Employment.

The following types of businesses are not eligible for EIDLs:

- **Speculative businesses**
- **Multi-level sales organizations (pyramids)**
- **Hobby Businesses**

SBA takes real estate as collateral when it is available.

- **Physical loans over \$14,000 require collateral.**
- **EIDLs over \$5,000 require collateral.**

SBA will not decline a loan for lack of collateral; but, SBA requires that borrowers pledge best available collateral.

SBA requires borrowers to obtain and maintain appropriate insurance as a condition of most loans.

Hazard insurance –

Is required on all secured loans.

Flood insurance -

Is required for properties located in a Special Flood Hazard Area (SFHA) and for properties damaged in a flood disaster.



Three Ways to Apply:

- **In Person - with an SBA representative at any DRC or SBA center in the declared disaster area**
- **Online – via SBA’s secure Web site**
- **By Mail – by submitting a completed paper application**

For personal service, visit a designated center in the disaster area

- Disaster Recovery Center
- SBA Disaster Loan Outreach Center
- SBA Business Recovery Center



No appointment is necessary.



Applying for an SBA Disaster Loan

Complete the application online using SBA's Electronic Loan Application (ELA) at:
<http://disasterloan.sba.gov/ela>

U.S. Small Business Administration
SBA
Your Small Business Resource

Disaster Loan Application

WELCOME APPLICANTS DAMAGES FINANCIAL FINAL STEPS

**U.S. Small Business Administration
Electronic Disaster Loan Application**

SBA

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CONTINUE HELP EXIT

OMB Control No. 3245-0017
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U.S. Small Business Administration



Applying for an SBA Disaster Loan

Mail your completed application to SBA at:

**U.S. Small Business Administration
Processing and Disbursement Center
14925 Kingsport Road
Fort Worth, Texas, 76155-2243**

Steps in SBA's loan process

- **Accept Application** – SBA reviews submitted application for acceptance.
- **Verify Losses** - SBA makes an on-site inspection and estimates repair or replacement costs.
- **Process Loan** - SBA performs a financial analysis and determines loan rate & terms.
- **Close Loan** - SBA prepares and issues legal documents. Borrower executes loan closing documents and returns them to SBA.
- **Disburse Loan Funds** - SBA disburses loan funds to borrower as needed to complete repairs.



For More Information

U. S. Small Business Administration
Disaster Assistance Customer Service Center
(800) 659-2955
TTY (800) 877-8339
Email: disastercustomerservice@sba.gov
or
Visit our Web site at: www.sba.gov/disaster