



U.S. Small Business
Administration

DISASTER ASSISTANCE

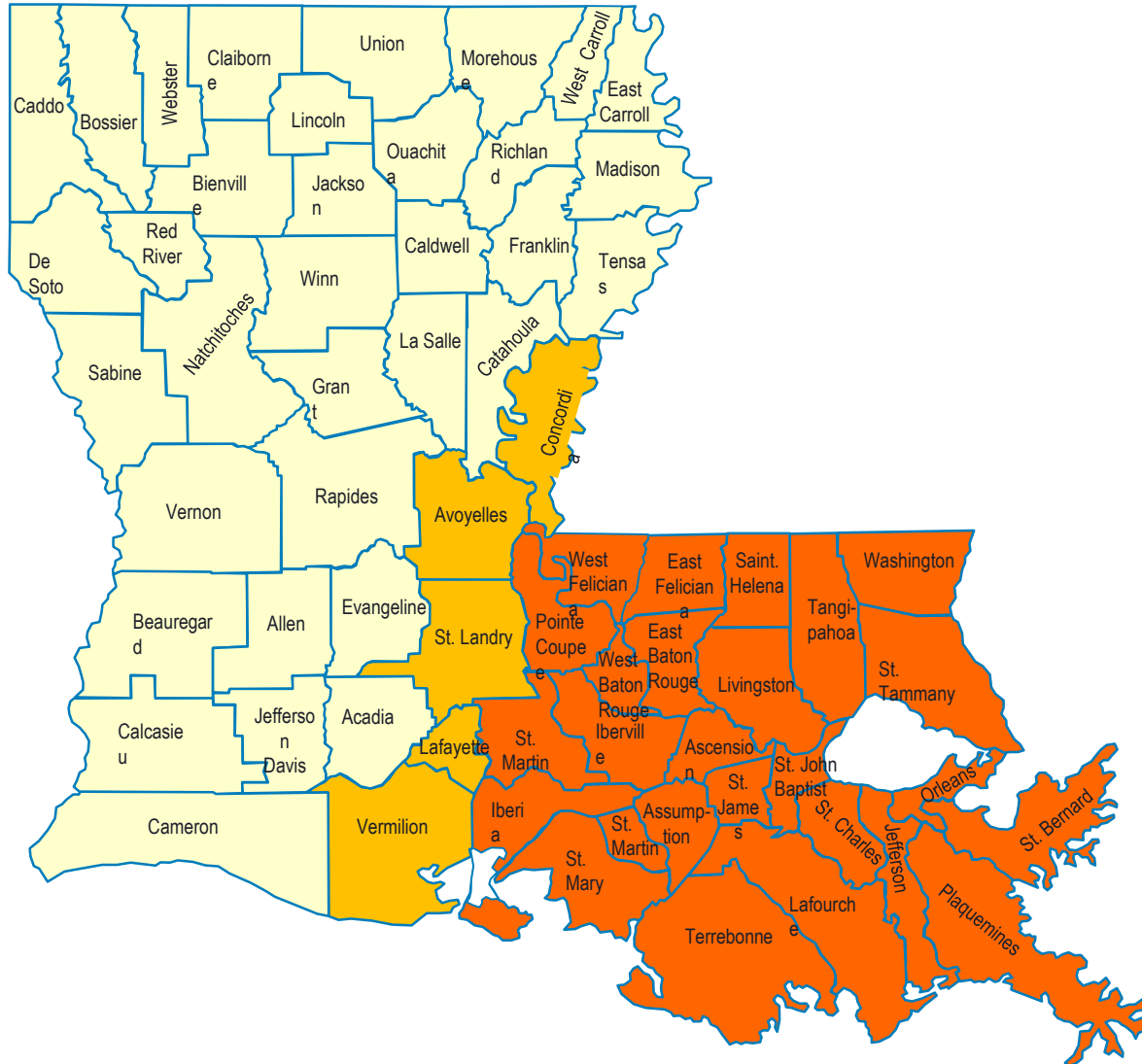
Businesses ■ Homeowners ■ Renters ■ Nonprofits

Field Operations Center - West



Office of Disaster Assistance

Declaration Map



- Presidential Declaration

Individual Assistance – Includes all SBA loan programs to residents and businesses in declared parishes/tribal nations

Public Assistance – Includes SBA loans to certain private nonprofits of a governmental nature declared parishes/tribal nations

SBA's Role in Disaster Recovery for Federal Disaster Declarations

- SBA disaster loans are the primary source of federal assistance to help private property owners pay for disaster losses not covered by insurance or other recoveries.
- SBA offers low-interest federal loans to businesses of all sizes, private nonprofit organizations, homeowners and renters.



SBA Administrator
Isabella Casillas Guzman

Federal Role of SBA Loans in Long-Term Recovery

- Disaster losses are unexpected and create a financial hardship for businesses and residents.
- By providing affordable disaster assistance in the form of loans, SBA helps reduce federal disaster costs compared to other forms of assistance, such as grants, CDBG-DR funding, or HUD assistance.
- These loans require borrowers to maintain appropriate hazard and flood insurance, reducing the need for future federal assistance.
- SBA's disaster loans are a critical source of economic stimulus in disaster-ravaged communities and help spur employment and stabilize tax bases for local governments.

Making Recovery Affordable

The Small Business Act and additional disaster laws provide SBA tools to make disaster loans affordable:

- Low-interest (below market) rates -set quarterly
- Affordable long terms (either 15 or 30 years)
- Payments are based on borrower's ability to pay
- In certain circumstances, borrowers may be able to refinance existing liens or mortgages, or may use an SBA loan to relocate (cases have specific criteria and limits)

(NOTE: Loan amounts and terms are set by SBA and based on each applicant's financial condition)

Loan Eligibility Restrictions

- Only uncompensated losses (disaster losses not compensated by insurance or other recoveries such as FEMA grants, reimbursement by another party, settlement of a lawsuit, etc.) are eligible.
- Applicants are **not** eligible if they have not complied with the terms of previous SBA loan agreements or other Federal obligations (e.g., failure to maintain required insurance, court-ordered child support, student loans, or Federal Income Tax filing requirements).

Has your **home or business** been damaged or destroyed by a declared federal disaster? You may be eligible for a disaster assistance loan from the U.S. Small Business Administration (SBA) to help you recover. These low-interest loans are available to businesses of all sizes, private nonprofit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property.



Additional Facts About Applying

Loans may be used for insurance deductibles and required building code upgrades not covered by insurance or for relocation. It is not necessary to submit the description of upgrades and cost estimates with the application. We may refer you to FEMA's Other Needs Assistance program if you are denied an SBA disaster assistance loan.

Consider Mitigation Improvements

You can rebuild stronger by increasing your SBA disaster assistance loan up to 20 percent of the amount of the verified physical damage to make mitigation improvements. Generally, you have two years after loan approval to request an increase for higher building costs, code-related upgrades or mitigation measures. The SBA must approve the mitigation measures before any loan increase.

For more information or to find a local disaster center, contact SBA's Customer Service Center at 1-800-659-2955 (TTY: 1-800-877-8339).



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All SBA programs and services are extended to the public on a nondiscriminatory basis. (08/2021)



Three Steps to SBA Disaster Assistance Loans





Three Steps to SBA Disaster Assistance Loans



1: Loan Application



Begin the application process for Presidentially declared disasters by first registering with FEMA at www.DisasterAssistance.gov, or call 800-621-FEMA (3362) or 800-462-7585 (TTY).

Then apply online at www.DisasterLoanAssistance.sba.gov/ela, in person at any local disaster center or call our Customer Service Center at (800) 659-2955 or TTY (800) 887-8339 to request an application by mail.

Apply as soon as possible, even if you do not know how much money will be needed. There is no need to wait for insurance claims to settle, or to receive FEMA grants or contractor estimates.

Loans can be made while your insurance recovery is pending. You are under no obligation to accept the loan if you are approved.

2: Application Process



Your application package (including credit and income information) and required documents are reviewed for completeness. Eligible applications are then sent to SBA's loss verification team for review, and an initial determination of total physical damage is made.

If necessary, an SBA verifier will arrange for an in-person property inspection.

An SBA loan officer will take over your case and work with you to receive any additional information needed to make a loan determination. Insurance or other recoveries are reviewed, the loan officer will provide a recommended loan amount, and advise next steps.

We strive to make loan determinations within 2 - 3 weeks after receiving your complete application packages.

3: Loan Closure & Disbursement



Loan closing documents are prepared for your signature. Upon return of the signed documents, an initial disbursement will be made within 5 business days up to the following amounts: physical damage - \$25,000; economic injury (working capital) - \$25,000 which can be in addition to the physical damage disbursement for eligible businesses.

An assigned case manager will work with you to answer questions and help you meet all loan conditions. He/she will schedule the subsequent disbursements of any remaining loan amount. Your loan may be adjusted (up or down) after closing due to changing circumstances, such as unexpected repair costs or if you receive additional insurance proceeds for the same purposes.

Compare the various disaster assistance loans in the following chart to select the one that fits your situation.

	BUSINESSES & NONPROFITS	HOMEOWNERS & RENTERS
Physical Damage Disaster Loans	Repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. Loans up to \$2 million.	Homeowners may use loan proceeds to repair or replace a primary residence to its pre-disaster condition. Loans up to \$200,000.
Damaged Personal Property Loans	N/A	Homeowners or renters may use loan proceeds to repair or replace furniture, appliances, vehicles, and/or other personal property. Loans up to \$40,000.
Maximum Loan Amount	The maximum loan for any combination of property damage and/or economic injury is \$2 million.	The maximum loan for any combination of real and personal property damage, voluntary mitigation measures, refinancing, and contractor malfeasance (wrongdoing or misconduct) is \$840,000.
Can Loans Be Used to Mitigate Against Future Damage?	Yes; loans can be increased by up to 20 percent of verified physical damages to add approved mitigation measures.	Yes; loans can be increased by up to 20 percent of verified physical damages to add approved mitigation measures to a homeowner's primary residence.
Interest Rates	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit http://www.disasterloanassistance.sba.gov/ela for current interest rates	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit http://www.disasterloanassistance.sba.gov/ela for current interest rates.
Maximum Loan Term	Up to 30 years based upon repayment ability and SBA policy. There are no prepayment penalties.	Up to 30 years based upon repayment ability and SBA policy. There are no prepayment penalties.

For required documents, go to <https://disasterloanassistance.sba.gov/ela/s/article/Paper-Forms>

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Is There Help with Funding Mitigation Improvements?

If your loan application is approved, you may be eligible for additional funds to cover the cost of improvements that will protect your property against future damage. Examples of improvements include retaining walls, seawalls, sump pumps, etc. Mitigation loan money would be in addition to the amount of the approved loan, but may not exceed 20 percent of total amount of physical damage to real property, including leasehold improvements, and personal property as verified by SBA to a maximum of \$200,000 for home loans. It is not necessary for the description of improvements and cost estimates to be submitted with the application. SBA approval of the mitigating measures will be required before any loan increase.

The Importance of partnering with SBA

SBA partners with a wide range of federal and local agencies to assist communities' economic recovery following disasters.

These partnerships:

- Provide small businesses with important information on federal financial resources to rebuild and have access to working capital after a declared disaster.
- Serve as vital partners in promoting preparedness and disaster mitigation.



Women's Business Centers

Role of SBA Resource Partners

Consulting provided by SBA's Resource Partners is a vital form of disaster assistance and helps businesses:

- Successfully stay in operation.
- Develop operational, financial and marketing plans.
- Consider alternative sources of revenue.
- Identify ways to reduce costs.
- Update management and technical services.



Women's Business Centers



U.S. SMALL BUSINESS ADMINISTRATION



VETERANS BUSINESS OUTREACH CENTERS

Counselors Work Together with SBA to Assist Applicants

SBA refers declined business applicants to SBDC Business Counselors

- When SBA is unable to approve a business loan application due to lack of repayment, unsatisfactory credit history or insufficient information, SBA directs the applicant to a Small Business Development Center (SBDC) as a resource for other help and support.
- SBA's decline letter includes an SBDC referral.
- SBA offers applicants who are declined 6 months to request reconsideration for a disaster loan. SBDC Counselors can assist applicants when they request reconsideration.
- SBDCs can guide applicants to other resources that may be available. Counseling services are generally free of charge.

Small Business Losses in Disaster



25%

of businesses
don't open again
after a disaster.

Source: Insurance Institute for
Business and Home Safety

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SBA Links & Contacts



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Email: disastercustomerservice@sba.gov



Call: (800) 659-2955



www.sba.gov/relief - all economic aid options

www.sba.gov/ppp - Paycheck Protection Program

www.sba.gov/eidl - Economic Injury Disaster Loan & Payment

www.sba.gov/svogrant - Shuttered Venue Operators Grant

www.sba.gov/rrf - Restaurant Revitalization Fund