



FEMA

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News Release

Businesses, Nonprofit Organizations Get Smart about Low-Interest Disaster Loans

NORTH LITTLE ROCK – Businesses and nonprofit organizations are discovering a low-interest disaster loan from the U.S. Small Business Administration is smart business.

Disaster loans provide funding for private sector recovery and are being used to:

- Repair or replace buildings and business assets, such as equipment and inventory;
- Meet payroll and lease obligations during business downtime caused by the disaster;
- Refinance existing liens; and
- Make improvements to protect against future damage.

“Disaster loans from the SBA are the major source of federal disaster recovery assistance,” said Federal Coordinating Officer Nancy M. Casper of the Federal Emergency Management Agency. “The interest rates are low—as low as 4 percent for businesses and 2.62 percent for nonprofits.”

SBA offers two types of disaster loans to businesses, small agricultural cooperatives, aquaculture and most nonprofits: Physical Disaster Loans and Economic Injury Disaster Loans.

Physical Disaster Loans are used to repair or replace damaged buildings and business assets. Economic Injury Disaster Loans help small businesses, small agricultural cooperatives, aquaculture businesses and most private nonprofits meet financial obligations that they cannot meet because of the disaster.

Business owners may also be eligible to refinance existing liens or mortgages.

Applications from the SBA are available to most survivors who register for assistance with FEMA. No one is obligated to accept a loan if offered.

SBA low-interest disaster loans for businesses have several advantages:

- SBA requires no collateral for both physical loans or economic injury loans less than \$25,000. SBA requires the borrower to pledge as collateral only what is available, plus satisfactory credit and the ability to repay.

- Applicants don't have to wait for insurance settlements to obtain loans.
- Loans are written for a length of time appropriate to the type of loan, but SBA may make adjustments in the length to lower the monthly payments. Terms can be up to 30 years.
- SBA offers mitigation loans to help pay for improvements to reduce potential for future damage. These mitigation funds are available for up to 20 percent of the total amount of disaster damage.
- SBA never charges an application fee or points for its disaster loans.

By law, SBA business loans cannot exceed \$2 million. If a business is a major employer, SBA may waive the limit.

The deadline to file for a Physical Damage Disaster Loan is Aug. 25, 2015. The deadline for an Economic Injury Disaster Loan is March 28, 2016.

No one is obligated to accept a loan if approved. SBA gives applicants six months to decide whether to accept a loan.

The SBA offers online an application through its Electronic Loan Application site at <https://DisasterLoan.SBA.gov/ela>. Survivors can call the SBA's Disaster Assistance Customer Service Center at 800-659-2955, or visit the SBA's website at www.sba.gov.

Questions about the U.S. Small Business Administration disaster loans should be directed to SBA at **800-659-2955** or **TTY 800-877-8339**, or email DisasterCustomerService@sba.gov

Individuals and families who suffered losses as a result of the late spring storms have until Aug. 25, 2015 to register for disaster assistance with FEMA. They can do so online at www.DisasterAssistance.gov or by calling 1-800-621-3362 (FEMA). Disaster assistance applicants, who have a speech disability or hearing loss and use TTY, should call 1-800-462-7585 directly; for those who use 711 or Video Relay Service (VRS), call 1-800-621-3362. Multilingual operators are available.

For more information on the Arkansas disaster recovery, go to <http://www.fema.gov/disaster/4226#tabs-1> and <http://www.adem.arkansas.gov/aem/dr4226/>

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The SBA is the federal government's primary source of money for the long-term rebuilding of disaster-damaged private property. SBA helps businesses of all sizes, private non-profit organizations, homeowners, and renters fund repairs or rebuilding efforts and cover the cost of replacing lost or disaster-damaged personal property. These disaster loans cover losses not fully compensated by insurance or other recoveries and do not duplicate benefits of other agencies or organizations.

For more information, applicants may contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's website at www.sba.gov/disaster. Deaf and hard-of-hearing individuals may call (800) 877-8339.

FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.