



# Three Steps to SBA Disaster Assistance Loans



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.



## 1: Loan Application



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

Then apply online at [www.DisasterLoanAssistance.sba.gov/ela](http://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
<b>Physical Damage Disaster Loans</b>	Repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. <b>Loans up to \$2 million.</b>	Homeowners may use loan proceeds to repair or replace a primary residence to its pre-disaster condition. <b>Loans up to \$200,000.</b>
<b>Damaged Personal Property Loans</b>	N/A	Homeowners or renters may use loan proceeds to repair or replace furniture, appliances, vehicles, and/or other personal property. <b>Loans up to \$40,000.</b>
<b>Maximum Loan Amount</b>	The maximum loan for any combination of property damage and/or economic injury is <b>\$2 million.</b>	The maximum loan for any combination of real and personal property damage, voluntary mitigation measures, refinancing, and contractor malfeasance (wrongdoing or misconduct) is <b>\$840,000.</b>
<b>Can Loans Be Used to Mitigate Against Future Damage?</b>	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.
<b>Interest Rates</b>	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit <a href="http://www.disasterloanassistance.sba.gov/ela">http://www.disasterloanassistance.sba.gov/ela</a> 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 <a href="http://www.disasterloanassistance.sba.gov/ela">http://www.disasterloanassistance.sba.gov/ela</a> for current interest rates.
<b>Maximum Loan Term</b>	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>

## 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).**



U.S. Small Business  
Administration

## DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

All SBA programs and services are extended to the public on a nondiscriminatory basis.  
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