



U. S. Small Business Administration

GETTING DISASTER HELP FROM SBA

WHAT YOU NEED TO KNOW

- ◆ SBA offers low-interest disaster loans to **businesses of all sizes, most private nonprofit organizations, homeowners and renters.**
- ◆ Businesses may borrow **up to \$2 million** for any combination of property damage or economic injury.
- ◆ SBA offers low-interest working capital loans (called **Economic Injury Disaster Loans**) to small businesses, small businesses engaged in aquaculture and most private nonprofit organizations of all sizes having difficulty meeting obligations as a result of the disaster.
- ◆ If you are a **homeowner** or **renter**, FEMA may refer you to SBA. SBA disaster loans are the primary source of money to pay for repair or replacement costs not fully covered by insurance or other compensation.
- ◆ Homeowners may borrow **up to \$200,000** to repair or replace their primary residence.
- ◆ Homeowners and renters may borrow **up to \$40,000** to replace personal property.

WHAT YOU NEED TO DO

- ◆ Begin by registering with FEMA, if you haven't already done so, call (800) 621-3362.
- ◆ **Homeowners and renters should submit their SBA disaster loan application, even if they are not sure if they will need or want a loan. If SBA cannot approve your application, in most cases they refer you to FEMA's Other Needs Assistance (ONA) program for possible additional assistance.**

THREE WAYS TO APPLY TO SBA

After you register with FEMA

- ◆ Apply online using the Electronic Loan Application (ELA) via SBA's secure website at:
<https://disasterloan.sba.gov/ela>.
- ◆ Apply in person at any Disaster Recovery Center and receive personal, one-on-one help from an SBA representative. For additional information or to find a location near you visit our website at:
<http://www.sba.gov/disaster> or call SBA at **(800) 659-2955**. Individuals who are deaf or hard-of-hearing may call (800) 877-8339.
- ◆ Apply by mail: complete a paper application and mail it to SBA at:
14925 Kingsport Rd., Ft. Worth, TX 76155-2243.



U. S. SMALL BUSINESS ADMINISTRATION FACT SHEET - DISASTER LOANS

TEXAS Declaration #14334 & #14335 (Disaster: TX-00447)

Incident: SEVERE STORMS, TORNADOES, STRAIGHT-LINE WINDS & FLOODING

occurring: May 4 through June 19, 2015

in the Texas counties of: **Bastrop, Blanco, Caldwell, Cooke, Dallas, Denton, Eastland, Fannin, Fayette, Fort Bend, Gaines, Grayson, Guadalupe, Harris, Hays, Henderson, Hidalgo, Johnson, Liberty, Milam, Montague, Navarro, Nueces, Rusk, Smith, Travis, Van Zandt, Walker, Wichita, Williamson & Wise;**

for economic injury only in the contiguous Texas counties of: **Anderson, Andrews, Aransas, Archer, Austin, Baylor, Bell, Bexar, Bosque, Brazoria, Brooks, Brown, Burleson, Burnet, Callahan, Cameron, Chambers, Cherokee, Clay, Collin, Colorado, Comal, Comanche, Dawson, Delta, Ellis, Erath, Falls, Freestone, Galveston, Gillespie, Gonzales, Gregg, Grimes, Hardin, Harrison, Hill, Hood, Houston, Hunt, Jack, Jefferson, Jim Wells, Kaufman, Kendall, Kenedy, Kleberg, Lamar, Lavaca, Lee, Limestone, Llano, Madison, Martin, Montgomery, Nacogdoches, Palo Pinto, Panola, Parker, Polk, Rains, Robertson, Rockwall, San Jacinto, San Patricio, Shackelford, Shelby, Somervell, Starr, Stephens, Tarrant, Terry, Trinity, Upshur, Waller, Washington, Wharton, Wilbarger, Willacy, Wilson, Wood & Yoakum;**

for economic injury only in the contiguous New Mexico county of: **Lea;**

and for economic injury only in the contiguous Oklahoma counties of: **Bryan, Cotton, Jefferson, Love, Marshall & Tillman**

Application Filing Deadlines:

Physical Damage: July 28, 2015

Economic Injury: February 29, 2016

Whether you rent or own your home, own a business, or a small agricultural cooperative located in a declared disaster area, and are the victim of a disaster, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

What Types of Disaster Loans are Available?

- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster-damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles.
- Business Physical Disaster Loans – Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible.
- Economic Injury Disaster Loans (EIDL) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration.

What are the Credit Requirements?

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay all loans.
- Collateral – Collateral is required for physical loss loans over \$25,000 and all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but requires you to pledge what is available.

What are the Interest Rates?

By law, the interest rates depend on whether each applicant has Credit Available Elsewhere. An applicant does not have Credit Available Elsewhere when SBA determines the applicant does not have sufficient funds or other resources, or the ability to borrow from non-government sources, to provide for its own disaster recovery. An applicant, which SBA determines to have the ability to provide for his or her own recovery is deemed to have Credit Available Elsewhere. Interest rates are fixed for the term of the loan. The interest rates applicable for this disaster are:

	No Credit Available Elsewhere	Credit Available Elsewhere
Home Loans	1.688%	3.375%
Business Loans	4.000%	6.000%
Non-Profit Organization Loans	2.625%	2.625%
Economic Injury Loans		
Businesses and Small Agricultural Cooperatives	4.000%	N/A
Non-Profit Organizations	2.625%	N/A

What are Loan Terms?

The law authorizes loan terms up to a maximum of 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 7-year term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

What are the Loan Amount Limits?

- **Home Loans** – SBA regulations limit home loans to \$200,000 for the repair or replacement of real estate and \$40,000 to repair or replace personal property. Subject to these maximums, loan amounts cannot exceed the verified uninsured disaster loss.
- **Business Loans** – The law limits business loans to \$2,000,000 for the repair or replacement of real estate, inventories, machinery, equipment and all other physical losses. Subject to this maximum, loan amounts cannot exceed the verified uninsured disaster loss.
- **Economic Injury Disaster Loans (EIDL)** – The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates.
- **Business Loan Ceiling** – The \$2,000,000 statutory limit for business loans applies to the combination of physical, economic injury, mitigation and refinancing, and applies to all disaster loans to a business and its affiliates for each disaster. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

What Restrictions are there on Loan Eligibility?

- **Uninsured Losses** – Only uninsured or otherwise uncompensated disaster losses are eligible. Any insurance proceeds which are required to be applied against outstanding mortgages are not available to fund disaster repairs and do not reduce loan eligibility. However, any insurance proceeds voluntarily applied to any outstanding mortgages do reduce loan eligibility.
- **Ineligible Property** – Secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible, unless used for business purposes. Property such as antiques and collections are eligible only to the extent of their functional value. Amounts for landscaping, swimming pools, etc., are limited.
- **Noncompliance** – Applicants who have not complied with the terms of previous SBA loans are not eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA or Federally insured loans.

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 loss, 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.

Is There Help Available for Refinancing?

- SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40 percent or more of the value of the property), and (3) intends to repair the damage.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, in some cases up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.

What if I Decide to Relocate?

You may use your SBA disaster loan to relocate. The amount of the relocation loan depends on whether you relocate voluntarily or involuntarily. If you are interested in relocation, an SBA representative can provide you with more details on your specific situation.

Are There Insurance Requirements for Loans?

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

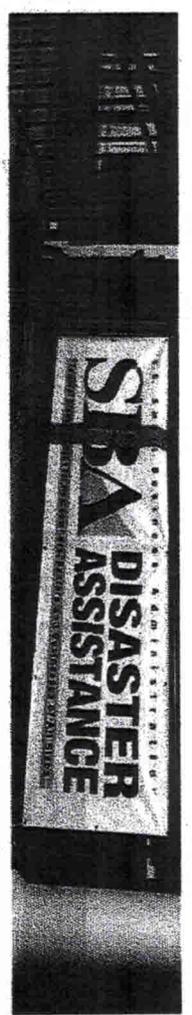
For more information, contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov/disaster. Deaf and hard-of-hearing individuals may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.

Required Documentation

The following documents are required to process your application and reach a loan decision. Your Loan Officer and Case Manager will assist you to ensure that you submit proper documentation.

BUSINESSES	HOMEOWNERS AND RENTERS
<ul style="list-style-type: none"> • Business Loan Application (SBA Form 5) completed and signed by business applicant. • IRS Form 8821 completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and each affiliate business. (Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management.) • Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business. • Personal Financial Statement (SBA Form 413) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, each general partner or managing member. • Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used). <p>ADDITIONAL INFORMATION THAT MAY BE NECESSARY TO PROCESS YOUR APPLICATION:</p> <ul style="list-style-type: none"> • Complete copies, including all schedules, of the most recent Federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member and each affiliate. • If the most recent Federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year. • A current year-to-date profit and loss statement. • Additional Filing Requirements (SBA Form 1368) providing monthly sales figures 	<ul style="list-style-type: none"> • Home Loan Application (SBA Form 5c) completed and signed by Applicant and Co-Applicant. • IRS Form 8821 completed and signed by Applicant and Co-Applicant. <p>http://disasterloan.sba.gov/ela</p>  <p><u>1-800-659-2955 (TTY: 1-800-877-8339)</u></p>

The Three Step Process: Disaster Loans



About Disaster Loans

The SBA provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.



- Apply: 1) online; 2) in-person at a disaster center; or 3) by mail.
 - Apply online at the SBA's secure website <https://disasterloan.sba.gov/ela>.
 - As a business of any size, you may borrow up to \$2 million for physical damages.
 - As a small business, small agricultural cooperative, small business engaged in aquaculture, or private nonprofit organization you may borrow up to \$2 million for Economic Injury Disaster Loan (EIDL).
 - As a small business you can apply for maximum business loan (physical and EIDL) of \$2 million.
 - As a Homeowner you may borrow up to \$200,000 to repair/replace your disaster damaged primary residence.
 - As a Homeowner or renter, you may borrow up to \$40,000 to replace damaged personal property.
- SBA reviews your credit before conducting an onsite inspection to verify your losses.
 - An SBA verifier inspects your damaged property to estimate your total physical losses.
 - The loan officer will determine your eligibility during processing after reviewing any insurance or other recoveries. SBA can make a loan while insurance recovery is pending.
 - A loan officer works with you to provide all the necessary information needed to reach a loan determination. Our goal is to arrive at a decision on your application in 2-3 weeks.
 - The loan officer will contact you to discuss the loan decision and next steps. You will also be advised in writing of all loan decisions.
- SBA will prepare and send your Loan Closing Documents to you for your signature.
 - Once we receive your signed Loan Closing Documents, an initial disbursement will be made to you within 5 days:
 - Physical damage:
 - \$25,000 (Presidential declarations)
 - \$14,000 (Agency declarations)
 - Economic Injury (working capital):
 - \$25,000 (all declarations)
 - A case manager will be assigned to work with you to help you meet all loan conditions and schedule subsequent disbursements until you receive the full loan amount.
 - Your loan may be adjusted after closing due to your changing circumstances, such as increasing the loan for unexpected repair costs or reducing the loan due to additional insurance proceeds.