



Fact Sheet for Homeowners and Renters

If you are in a declared disaster area and are the victim of a disaster, you may be eligible for a low-interest rate disaster loan from the U.S. Small Business Administration - even if you don't own a business. As a homeowner, renter and/or personal-property owner, you may apply to the SBA for a loan to help you recover from a disaster.

Renters and homeowners alike may borrow up to \$40,000 to repair or replace clothing, furniture, cars or appliances damaged or destroyed in the disaster. Homeowners may apply for up to \$200,000 to repair or replace their primary residence to its pre-disaster condition.

The loans may not be used to upgrade homes or make additions unless as required by local building authority/code. Loans may be increased up to 20 percent of the total amount of physical loss, as verified by SBA, to make improvements that lessen the risk of property damage by future disasters of the same kind.

Secondary homes or vacation properties are not eligible for these loans. However, qualified rental properties may be eligible for assistance under our business loan program.

Any proceeds from insurance coverage on your property or home will be deducted from the total damage to the property to determine the loan amount you are eligible for. SBA is not permitted to duplicate any benefits.

For applicants unable to obtain credit elsewhere the interest rate will not exceed 4 percent. For those who can obtain credit elsewhere, the interest rate will not exceed 8 percent. SBA determines whether an applicant has credit available elsewhere.

SBA offers loans with long-term repayments in many cases up to 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

For additional information, please contact our Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov (link sends e-mail).

Frequently Asked Questions

How much can I borrow?

The amount SBA will lend depends on the cost of repairing or replacing your home and/or personal property, minus any insurance settlements or grants. SBA will send an inspector to estimate the cost of your damage once you have completed and returned your loan application.

Can the SBA refinance my mortgage?

In some cases, SBA can refinance all or part of a previous mortgage when the applicant does not have credit available elsewhere, has suffered substantial disaster damage not covered by insurance, and intends to repair the damage. SBA considers refinancing when processing each application.



How soon before I know I have been approved?

The SBA disaster assistance program helps with long-term, low-interest rebuilding and repair of damaged property, unlike immediate emergency relief provided by relief organizations. To make a loan, we must know the repair cost, be assured that you can repay the loan, and take reasonable safeguards to make sure the loan is repaid. The sooner you return the completed loan application, the sooner SBA can process the application. SBA tries to make a decision on each application within two to three weeks. Make sure the application is complete, since missing information is a major cause for delays.

What information must I submit for a home and/or personal property loan?

You must submit the completed loan application and a signed and dated IRS form 8821 giving permission for the IRS to provide SBA your tax return information.

Is collateral required for these loans?

Home loans over \$25,000 in Presidential declarations, and loans over \$14,000 in Agency declarations must be secured to the extent possible. The SBA will not decline a loan if you do not have enough collateral, but will ask for whatever collateral is available. That usually consists of a first or second mortgage on the damaged real estate.

Should I wait for my insurance settlement before I file my loan application?

No, do not miss the filing deadline by waiting for an insurance settlement. Final insurance information can be added after a settlement is made. SBA can approve a loan for the total replacement cost up to our lending limits. Once your insurance settles, if there is a duplication of benefits, we will apply those funds to the balance of your disaster loan.

I'm a farmer, and my barns, fence, and some of my crops were damaged, as well as my home. Can I apply to SBA for assistance?

You may apply for an SBA disaster loan to cover the damage to your home and its contents only. SBA cannot cover agriculture losses. Contact the U.S. Department of Agriculture for recovery assistance for your farm at www.usda.gov.

Essential Information

In Presidentially declared disasters, residents and business owners can begin the disaster application process by registering online with the Federal Emergency Management Agency at www.FEMA.gov, or by calling FEMA at 1-800-621-FEMA (3362). For more information about SBA disaster assistance plus disaster preparedness for individuals and businesses visit: www.sba.gov.

For more information, go to www.ready.gov or call 1-800-BE-READY to order or download free sample emergency plans, business preparedness checklists, and templates providing detailed business continuity and preparedness information.



Fact Sheet for Businesses of All Sizes

If your business or private, nonprofit organization has suffered physical damage or your small business or private, nonprofit organization of any size has sustained economic injury after a disaster, you may be eligible for financial assistance from the U.S. Small Business Administration. If your business—regardless of size—is located in the declared disaster area, you may apply for a long-term, low-interest loan to repair or replace damaged property.

Even if your property was not damaged and you are a small business owner or a private, nonprofit organization, you may apply for a working capital loan from the SBA to relieve the economic injury caused by the disaster.

Physical Disaster Loans

Businesses of all sizes and private, nonprofit organizations may apply for a Physical Disaster Loan of up to \$2 million to repair or replace damaged real estate, equipment, inventory and fixtures. The loan may be increased by as much as 20 percent of the total amount of physical loss, as verified by SBA, to protect the property against future disasters of the same type. These loans will cover uninsured or under-insured losses.

Economic Injury Disaster Loans

Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, nonprofit organizations of all sizes suffering substantial economic injury may be eligible for an Economic Injury Disaster Loan of up to \$2 million to meet necessary financial obligations – expenses the business would have paid if the disaster had not occurred.

Interest Rates

The interest rate on both these loans will not exceed 4 percent if you do not have credit available elsewhere. Repayment can be up to 30 years, depending on the business's ability to repay the loan. For businesses and nonprofit organizations with credit available elsewhere, the interest rate will not exceed 8 percent. SBA determines whether the applicant has credit available elsewhere.

Application Information

Businesses may apply directly to the SBA for possible assistance. The SBA will send an inspector to estimate the cost of your damage once you have completed and returned your loan application.

SBA now offers you the option of filing your business disaster loan application electronically. Downloadable application forms are available at: [Apply for Assistance](#).

For additional information, please contact our Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov (link sends e-mail).

Frequently Asked Questions



What information must I submit for a disaster loan?

Submit a completed loan application and a signed and dated IRS form 8821 giving permission for the IRS to provide the SBA your tax return information.

To process your application we need current financial information such as a personal financial statement, a current profit-and-loss statement, balance sheet and a list of debts.

Can I use the disaster loan to expand my business?

The disaster loan helps restore property to pre-disaster condition, and, under certain circumstances, protects the structure from future disasters. It cannot upgrade or expand a business unless required by local building codes.

I already have a mortgage on my business. Can the SBA refinance my mortgage?

The SBA can refinance all or part of a previous mortgage in some cases when the applicant does not have credit available elsewhere, has suffered uninsured damage (40 percent or more of the property value), and intends to repair the damage. SBA disaster loan officers can provide additional details.

How soon before I know I've been approved for a loan?

The sooner you return the completed loan application, the sooner the SBA can process it. The SBA tries to make a decision within two to three weeks. Make sure the application is complete. Missing information is a major cause of delays.

Is collateral required for these loans?

In a Presidential declaration, physical business loans over \$25,000 must be secured to the extent possible. For Agency declarations, physical business loans over \$14,000 must be secured to the extent possible. All EIDL loans over \$25,000 must be secured to the extent possible.

Should I wait for my insurance settlement before I file my loan application?

No. Don't miss the filing deadline by waiting for an insurance settlement. Final insurance information can be added when a settlement is made. The SBA can approve a loan for the total replacement cost, but any insurance proceeds that duplicate SBA's loan must be applied to your SBA loan.

How may I use an Economic Injury Disaster Loan?

The loan provides working capital for disaster-related needs until your business or private, non-profit organization recovers. You may request an EIDL for the amount of economic injury but not in excess of what your business or private, non-profit organization could have paid if the disaster had not occurred. EIDL loans cannot refinance longterm debts or provide working capital needed before the disaster. EIDL loans do not replace sales or lost profits.

Must I submit a personal financial statement with my loan application?

Yes. The SBA must review a financial statement for each owner and one for each partner, officer, director and stockholder with 20 percent or more ownership. The SBA requires the principals of the business to personally guarantee repayment of the loan, and in some instances to secure the loan by pledging additional collateral.

Plan to Stay in Business

Continuity planning assures your business will function as soon as possible after a natural or man-made disaster.



Review Insurance Coverage

Inadequate insurance coverage can lead to major financial loss if your business is damaged, destroyed or simply interrupted. Store records your insurance provider will want to see after an emergency in a safe place.

Prepare for Utility Disruptions

Examine which utilities are vital to your business's day-to-day operation. Identify back-up options such as portable generators to power the vital aspects of your business in an emergency.

Secure Facilities, Buildings and Plants

Identify what production machinery, computers, custom parts or other essential equipment is needed to keep your business open. Plan how to replace or repair vital equipment. Store extra supplies for use in an emergency. Plan what you will do if your building, plant or store is not usable.

Back-up Financial Records

Back-up financial records and other vital information stored on computer hard drives. Files should be stored in a portable lockbox office, at least 500 miles away.