

Disaster Recovery Hurricane Ian



U.S. Small Business
Administration

DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

SBA's Disaster Loan Program

- SBA's disaster loans are available for physical damages from a declared disaster to more than just small businesses.
- SBA disaster loans are available to:
 - Nonfarm businesses of all sizes
 - Homeowners
 - Renters
 - Private, non-profit organizations.
- SBA's Economic Injury Disaster Loans (EIDLs) are available to small nonfarm businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private, nonprofit organizations (PNPs).
- EIDLs help meet **working capital** needs caused by the disaster, even if the business did not have physical damage.

The Role of SBA in Long-Term Recovery

- Disaster losses are unexpected and create a financial hardship for businesses and residents.
- SBA offers low-interest federal loans to businesses, homeowners, renters and private nonprofit organizations damaged by declared disasters.
- Low-interest, long-term Federal disaster loans help make recovery both feasible and affordable.
- 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.

Additional Features of SBA Disaster Loans

- **Loan Terms:**
Up to 30 years based on ability to repay; fixed rate.
- **Relocation:**
With approval, funds may be used to relocate.
- **Refinancing:**
Eligibility is only for homeowners & businesses.



SBA Disaster Loan Type and Limits

Types of Loans	Borrowers	Purpose	Max. Amount
Business Loans	Businesses and private nonprofits	Repair or replace real estate, inventory, equipment, etc.	\$2 million *
Economic Injury Loans	Small businesses and private nonprofits	Working capital loans	\$2 million *
Home Loans	Homeowners	Repair or replace primary residence	\$200,000
Home Loans	Homeowners and renters	Repair or replace personal property	\$40,000
Mitigation	Businesses, private nonprofits and homeowners	Mitigate / prevent future loss of the same type	20% of verified physical damage. Homeowners limited to \$200,000

*The maximum business loan is \$2 million, unless the business qualifies as a Major Source of Employment (MSE).

Loan and Insurance Requirements

Requirements for loan approval



Eligibility

- Damaged property must be in a declared area.



Credit History

- Applicants must have a credit history acceptable to SBA.



Repayment

- Applicants must show the ability to repay all loans.

Borrowers must obtain and maintain appropriate insurance as a condition of most loans.



Hazard Insurance

- Required on all secured loans.



Flood insurance

- Required for properties located in a Special Flood Hazard Area (SFHA) and for properties damaged in a flood disaster.

Don't Wait! Mitigate.

Protect Your Business From Future Disaster

- Disaster mitigation is the effort to reduce loss of life and property by lessening the impact of disasters. Disasters can happen at any time and any place.
- The number of disasters each year is increasing, but only 50% of events trigger Federal assistance.
- Building back smarter and stronger **now** can be an effective recovery tool for future disasters.
- Strengthening your business doesn't need to cost a fortune. Projects such as maintaining gutters can be low-cost, while getting a backup generator requires greater financial investment.

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.
- Assist with preparation of SBA disaster loan applications.



**Women's
Business Centers**



U.S. SMALL BUSINESS ADMINISTRATION



VETERANS BUSINESS OUTREACH CENTERS

Small Business Losses in Disaster



25%

of businesses
don't open again
after a disaster.

Source: Insurance Institute for
Business and Home Safety

The Application Process



Apply:

Online at SBA’s secured website:
disasterloanassistance.sba.gov

Filing Deadline for Physical Damage: 60 days from the declaration date. (can be extended)

Filing Deadline for Economic Injury: 9 months from the declaration date.

SBA will contact applicant to verify damage and schedule a site visit if necessary.

SBA will process the file to a decision. Could take up to 2-3 weeks

If approved, loan documents are forwarded to borrower.

The applicant is advised of appeal rights, if declined.

An initial disbursement is *generally* made within 5 days after the applicant signs and returns the required loan closing documents.

- Up to \$25,000 for physical damages
- Up to \$25,000 for economic injury (business owners)

Subsequent disbursements are generally made in installments to match the pace of construction.



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Disaster Assistance Loans

What you need to know to apply for a Business Disaster Loan

- Contact information for all applicants
- Social security numbers and Employer Identification Numbers (EIN) for all applicants/owners
- Financial information (e.g., income, account balances and monthly expenses)
- Information about your deed or lease
- Insurance information, if available



Questions? Call **(800) 659-2955** (dial 7-1-1 to access telecommunications relay services)
or visit [sba.gov/disaster](https://www.sba.gov/disaster)

Disaster Planning in 6 Steps



1. Establish a Communications Plan



2. Protect Vital Information



3. Review Insurance Coverage



4. Facilities and Operations Planning



5. Business Preparedness Resources



6. Practice/Test Your Plan with Staff

SBA Office of Disaster Assistance Contacts for the Public

For More Information about SBA disaster assistance programs, go to:

www.sba.gov/disaster

Start application process by:

Visiting a DRC/BRC for in person help

1-800-659-2955 / dial 7-1-1 to access telecommunications relay
services

Or by email at:

disastercustomerservice@sba.gov