



Office of Disaster Assistance

SBA's Role in Disaster Recovery

Role in Disaster Recovery

After hurricanes, floods, tornadoes, earthquakes, wildfires and other disasters, the U.S. Small Business Administration (SBA) is the primary source of federal funds for long-term recovery assistance.

SBA's disaster assistance is in the form of low-interest loans with terms and conditions that make recovery less challenging. Did you know that SBA's disaster loans are not just for businesses?

Our goal is to help people recover from disasters and rebuild their lives by providing financial assistance to homeowners, renters, businesses and non-profit organizations of all sizes.

History

The SBA's low-interest loan program was designed by Congress to enable those affected by unforeseen catastrophic events to recover with as little adverse impact as possible.



SBA has been making disaster loans since 1953, and has approved more than \$50 billion in disaster loans to more than 1.9 million homeowners, renters and businesses.

Disaster Loan Program

The SBA disaster loan program is activated in conjunction with approval of a major (Presidential) declaration; or approval for an SBA-only (Agency) disaster declarations (for small disasters).

Disaster loans are only for uninsured or uncompensated losses.

These loans are direct from the federal government; not from a bank.

Types of SBA Disaster Declarations

- **Presidential - Individual Assistance / Public Assistance**
- **Administrative (Agency)**
- **Governor's Certification**
- **Secretary of Agriculture**
- **Military Reservists**



Presidential Declaration for Individual Assistance (IA)

- If the President declares a major disaster declaration for Individual Assistance, SBA's disaster loan program is automatically activated.
- Homeowners, renters and businesses of all sizes including private, non-profit organizations are eligible to apply for their uncompensated physical losses.
- Small businesses, small cooperatives and most private non-profits of any size, can apply for working capital loans to cover their economic injury losses.



Presidential Declaration for Public Assistance (PA)

If the President declares a major disaster declaration for Public Assistance, SBA's disaster loan program is activated only for eligible private, non-profit organizations.



Administrative (Agency) Declarations

When the PDA indicates damages are insufficient for a Presidential declaration, the Governor can request an Administrative (Agency) declaration through the SBA Administrator.

One way to qualify is when:

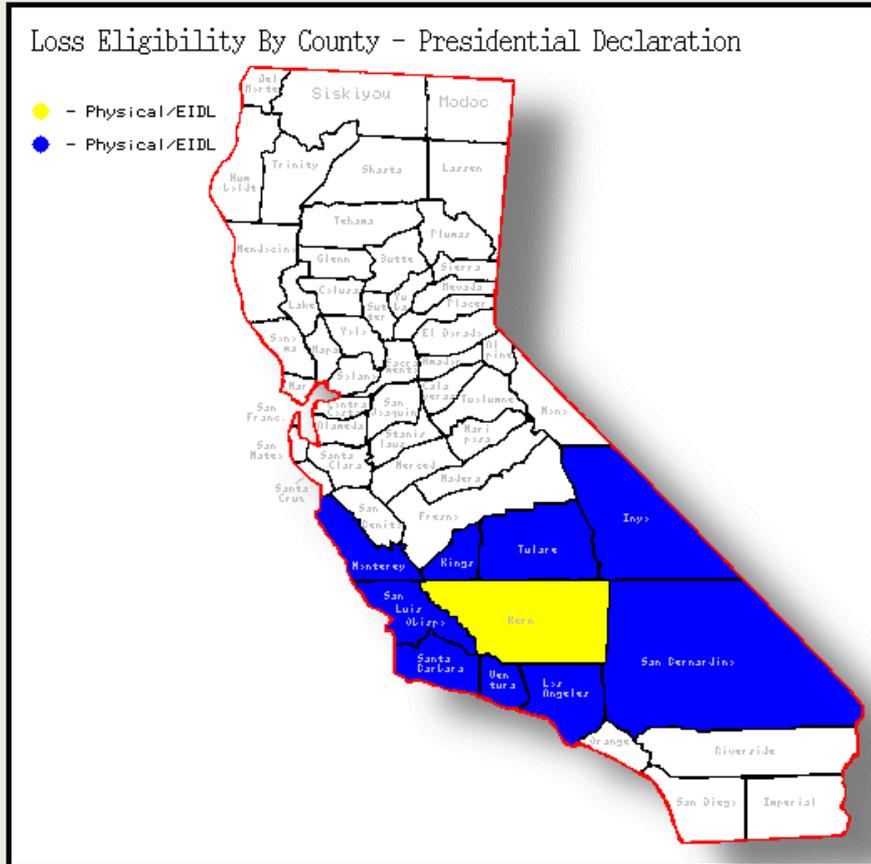
At least 25 homes and/or businesses in a county have uninsured losses of 40% or more of their estimated fair market value



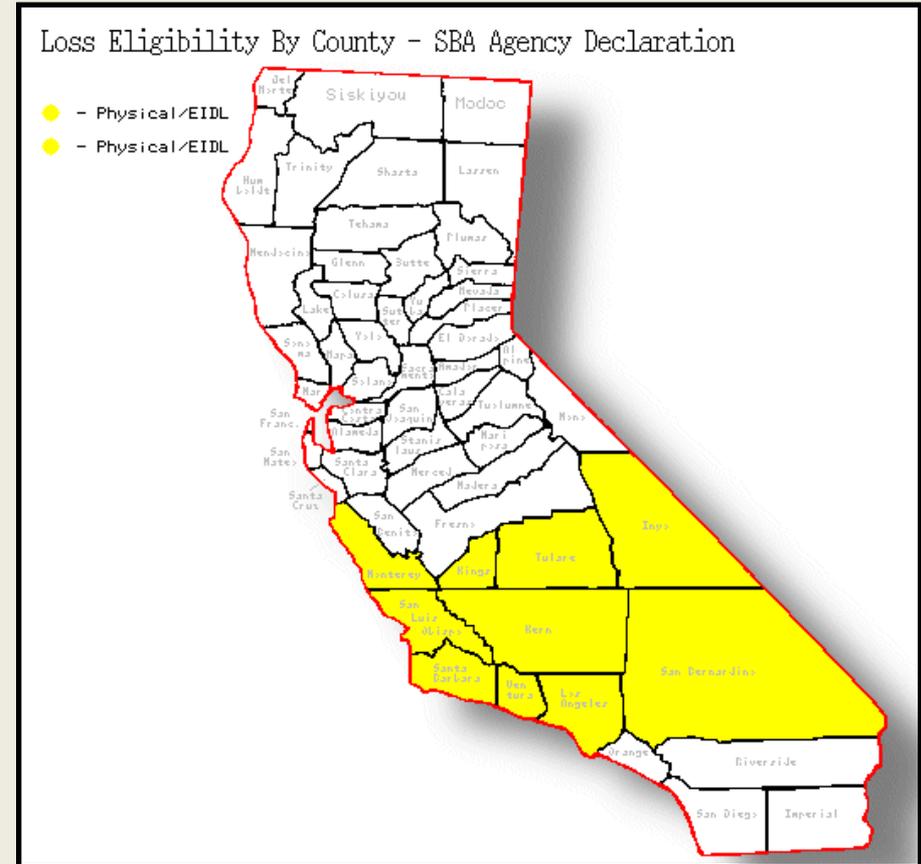
SBA Administrator
Karen G. Mills

Differences in Presidential Versus Agency Declarations

The declared disaster area and eligibility is different.



Presidential
declarations



SBA Administrative
(Agency) declarations

Governor's Certification

If a Governor certifies that at least five (5) small businesses in a disaster area have suffered substantial economic injury as a result of the disaster, and need financial assistance not available on reasonable terms, SBA activates its Economic Injury Disaster Loan (EIDL) program only.

Note: Physical Disaster Loans are not available under this type of declaration



This declaration is for Economic Injury Disaster Loans (EIDL) only. The filing deadline is 9 months from the date of the declaration.

If the Secretary of Agriculture designates an area an agricultural disaster, SBA automatically activates its Economic Injury Disaster Loan (EIDL) program.

Loans are made available to eligible small businesses, small agricultural cooperative, or private non-profits organizations that have suffered substantial economic injury as a result of the declared disaster.



This declaration is for Economic Injury Disaster Loans (EIDL) only. The filing deadline is 8 months from the date of the declaration.

Eligible small businesses that are not able to meet their ordinary and necessary operating expenses because an “essential employee” is called up to active duty in their role as a military reservist can apply for an SBA Military Reservist Economic Injury Disaster Loan.



The filing period begins the date the essential employee receives a notice of expected call-up and ends 1 year after the date the essential employee is discharged or released from active duty.

How Much Survivors Can Borrow

Homeowners

- Up to \$200,000 to repair/or replace primary homes.

Homeowners/Renters

- Up to \$40,000 for contents, including automobiles.

Businesses/Non-Profits

- Up to \$2 million to repair/replace damaged business assets and for working capital to meet operating expenses.

Note: Working capital loans are only available to small businesses, and non-profits of all sizes.

Requirements for Loan Approvals

- Eligibility
 - Damaged property must be in a declared county.
- Credit History
 - Applicants must have a credit history acceptable to SBA.
- Repayment
 - Applicants must show the ability to repay.

Under a Presidential Disaster Declaration, survivors should first register with FEMA by calling 1-800-621-3362 or visit: www.disasterassistance.gov.

In all other disaster declarations should:

- Call 1-800-659-2955,
- Visit one of the Centers in the disaster area, or
- Apply online at: <https://disasterloan.sba.gov/ela/>.

Application forms are available at www.sba.gov.

SBA's Office of Disaster Assistance:

- Provides training to partners on the disaster loan program.
- May share information on assistance provided to survivors with partners under a Memorandum of Understanding or other means.
- Participates in Long Term Community Recovery Teams with federal partners to address the economic needs and recovery of affected communities.
- Operates within the new National Disaster Recovery Framework. FEMA is the Lead Agency.

- SBA is represented at the State's Emergency Operations Centers, Joint Field Office and at every Disaster Recovery Center.
- SBA coordinates outreach efforts with federal, State and local partners, participate in town hall meetings, media events and widely distribute program information.
- SBA sends our partners and stakeholders program information and press releases to keep them informed.

Contact information

**For additional program information,
agency representatives can contact our
Communications department at
(404) 331-0333**

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