

Why It's Important for Texans to Return the SBA Loan Application

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Survivors of the February severe winter storms in Texas who apply for disaster assistance from FEMA may be referred to the U.S. Small Business Administration (SBA) with information on how to apply for a disaster loan.

SBA offers low-interest disaster loans to businesses of all sizes, private nonprofit organizations, homeowners and renters. SBA low-interest disaster loans are the primary source of funds for real estate property repairs and replacing contents destroyed during February's severe winter storms. The program is for the underinsured and uninsured. In every instance, insurance is your first line of defense.

SBA low-interest disaster loans cover losses not fully compensated by insurance or other resources. Survivors should not wait for an insurance settlement before submitting an SBA loan application. They may discover they were underinsured for the deductible, labor and materials required to repair or replace their home. An SBA loan can potentially cover the gap.

SBA has approved more than \$110 million in federal disaster loans to help Texas businesses and residents recover from the winter storms. Businesses, nonprofits and residents who sustained damage due to the storms are encouraged to apply for a loan as soon as possible. Applicants can apply online at [SBA Disaster Assistance](#) or, for additional assistance, call 800-659-2955 (TTY:800-877-8339). The deadline to submit an application is May 20.

The SBA's Virtual Disaster Loan Outreach Center is open 7 a.m. to 7 p.m. CT weekdays or you may contact an SBA customer service representative via email at FOCWAssistance@sba.gov.

SBA Loans Available



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- For individuals and families: For homeowners, up to \$200,000 to repair or replace real estate damage and up to \$40,000 to replace personal property. For renters, up to \$40,000 to repair or replace personal property.
- For businesses: Up to \$2 million to repair or replace real estate, machinery and equipment, inventory and other assets that were damaged or destroyed (available to all businesses and private, nonprofit organizations). Economic injury: Only for small businesses and most private nonprofit organizations suffering adverse financial impacts of the disaster (with or without property loss): Up to \$2 million for working capital to help pay obligations until normal operations resume.
- There's no obligation to accept a disaster loan, but survivors may miss out on the largest source of federal disaster recovery funds if they don't submit an application.

If survivors have not settled with their insurance agency, SBA can make them a loan for the full amount of their losses. They can then use their insurance proceeds to reduce or pay off the SBA loan.

By law, both FEMA and SBA cannot duplicate benefits.

If applicants don't qualify for a loan, SBA will refer them back to FEMA and they may be considered for other FEMA grants under the Other Needs Assistance program (ONA).

Examples of ONA that do not depend on completing the SBA application include:

- Disaster-related medical and dental expenses.
- Disaster-related funeral and burial expenses.
- Increased cost of childcare expenses.
- Miscellaneous items, such as smoke detectors and weather radios.
- Other serious disaster-related needs not covered by insurance or other sources.
- Moving and storage fees.

Some types of ONA that do require SBA loan application include:

- Personal property replacement.
- Financial help with disaster-caused vehicle repair or replacement expenses.



In planning their recovery, survivors should give themselves the widest possible set of options. Filing and submitting the application and being declined makes it possible to be considered for additional grants, and if they qualify for a loan, they will have that resource available if they choose to use it.

Watch an online video in American Sign Language that explains the [Reasons to Apply for an SBA Loan](#).

For more information on the storms:

For more information on the severe winter storms in Texas, visit fema.gov/disaster/4586. Follow the FEMA Region 6 Twitter account at twitter.com/FEMARegion6.

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