Submitting an SBA Loan Application Could Bring More FEMA Grant Assistance

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BATON ROUGE, La. – The U.S. Small Business Administration (SBA) loan application holds many benefits for disaster survivors who apply for federal assistance. An applicant who is referred to the SBA during the initial FEMA application process is expected to complete an SBA loan application. Submitting a loan application keeps the full range of disaster assistance available as an option.

SBA Referral Letters

Applicants are often referred to the SBA after initially applying for federal disaster assistance. Applicants are encouraged to complete the application and return it to the SBA to ensure that all available disaster assistance options remain open. The SBA application may be the basis of referrals to other grant programs. No one is obligated to accept a loan.

If you received a referral to the SBA, it’s important to fill it out online and submit it to the SBA by Monday, August 2.

Why You Should Complete the SBA Application:

The federal funding process stops at this point for survivors who choose not to apply. If you apply and are not eligible for a low-interest disaster loan, this may open the door to an additional grant from FEMA. If SBA does not approve a loan - or approves a small loan that doesn't cover all of your needs - you may be eligible for an additional FEMA grant assistance to replace essential household items, replace or repair a damaged vehicle, cover storage expenses or meet other disaster-related needs.

There are important reasons to complete and send the application to the SBA, even if you think you don’t currently need a loan.

- You may discover in the next few weeks that you were underinsured for the amount of work required to repair or replace your home. An SBA low-interest disaster loan may cover some or all of the difference. In other words, the SBA may bridge the gap between your recovery costs and the settlement amount.
- SBA offers loans for homeowners up to the $200,000 statutory maximum to repair or replace your primary residence. The loans are customized to your personal financial circumstances. On a case-by-case basis, the SBA may be able to assist with refinance of your current mortgage(s).
- SBA can also help renters and homeowners replace household contents and vehicles, referred to as personal property. You may be able to borrow up to the $40,000 statutory maximum to repair or replace clothing, furniture, cars or appliances that were damaged or destroyed in the disaster.

For businesses and private nonprofit organizations, there are loans available for:

- Businesses of any size and private nonprofit organizations - up to the $2 million statutory to repair or replace real estate, machinery and equipment, inventory and other assets that were damaged or destroyed.
- Small businesses, those engaged in aquaculture and most private nonprofit organizations - up to the $2 million statutory for working capital needs, even if they had no property damage, with a $2 million maximum loan for any combination of property damage and working capital needs.
- Economic Injury - only for small businesses and most private non-profit organizations suffering adverse financial impacts of the disaster (with or without property loss), up to the $2 million statutory for working capital to help pay obligations until normal operations resume.

SBA has established a Business Recovery Center that is open Monday – Friday, 9 am to 5 pm CST. The Center is located at:

Southwest Entrepreneurial and Economic Development (SEED) Center
Willis Noland Conference Center, Third Floor
4310 Ryan St.
Lake Charles, LA 70605

For additional assistance, the SBA has established a Virtual Disaster Loan Outreach Center that is open Monday – Friday, 7 am to 7 pm CST. You can

contact an SBA customer service representative via email at FOCWAssistance@sba.gov or by phone at 800-659-2955. SBA will answer specific questions about how a disaster loan may help each survivor with their disaster recovery and will provide one-on-one assistance in completing applications for these loans. You can apply online at https://disasterloanassistance.sba.gov

For the latest information on the May 17-21 severe storms, tornadoes and flooding, visit www.fema.gov/disaster/4606. Follow the FEMA Region 6 Twitter account at twitter.com/FEMARegion6.