

Five Reasons to Fill Out Your SBA Application

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After you apply for FEMA assistance, you may be referred to the U.S. Small Business Administration (SBA). If you are asked to submit an SBA disaster loan application, there are benefits to filling it out and sending it in right away.

If approved, you are not obligated to accept the SBA loan but **failure to return the application may disqualify you from other possible FEMA grants to pay for disaster-related car repairs or replacement, essential household items and other expenses.**

1. SBA programs can help homeowners and renters, as well as large and small businesses (including apartment owners) and nonprofit agencies

Homeowners may be eligible for up to \$500,000 in low-interest loans to repair or replace their home. Renters and homeowners who lost personal goods in the disaster may be eligible to borrow up to \$100,000 to replace the things they need like clothing or furniture – even a vehicle.

If you are a Cook County business owner who was affected by the June 29 – July 2 storms and flooding and are in need of assistance following the disaster, there is a good chance the SBA can help, but you must apply first.

2. Low-interest disaster rates are available

SBA can offer a loan that fits your personal budget. For applicants unable to obtain credit elsewhere, the interest rates are 2.5 % for home loans, 4.0% for business loans and 2.375% for nonprofit organizations. Your first payment will not be due for 12 months, and no interest will be charged for the twelve months. You may have up to 30 years to pay and there is no pre-payment penalty or fees.

If you already have a mortgage on damaged property, SBA specialists can help with a low-interest loan you can afford. In some cases, SBA can refinance all or



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part of an existing mortgage.

3. Filling it out might mean additional FEMA assistance

By submitting your SBA loan application, you keep the full range of disaster assistance available as an option. If SBA does not approve a loan for you – or approves a small loan that doesn't cover all of your needs – you may be referred to other programs for grants to replace essential household items or replace or repair a damaged vehicle, among other serious disaster-related needs. But if you do not submit the loan application from SBA, the assistance process may stop.

4. SBA is the largest source of recovery funds

SBA disaster loans are the largest source of federal disaster recovery funds for survivors. SBA disaster loans cover losses not fully compensated by insurance, FEMA grants 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 or labor and materials required to repair or replace their home.

5. Funds to reduce future disaster risks may be available

Eligible SBA disaster loan borrowers may choose to receive expanded funding to help mitigate their home or business against future disasters. SBA disaster loans can be increased up to 20% to make building upgrades.

Whether you're recovering from a declared disaster or planning ahead and thinking about how to protect your home and family, business, and employees, mitigation assistance not only helps you rebuild and get back to business, but the money can also be used to make property improvements that eliminate future damage or save lives.

SBA approval of mitigating measures is required before any loan increase can be made. There is no cost to apply, and you are under no obligation to accept a loan if approved.

Even simple things can strengthen your home or business today to avoid damage and unplanned costs in the future.



Learn more about SBA disaster assistance at <https://disasterloanassistance.sba.gov/ela/s/loan-information>. Visit www.fema.gov/disaster/4728 for more information about the disaster recovery in Illinois.

