



U.S. Small Business Administration

# DISASTER NEWS

*Loans for Homeowners, Renters and Businesses of All Sizes*

SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

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## **SBA Approves More Than \$1 Million in Disaster Assistance For Survivors in West Tennessee**

ATLANTA – The U.S. Small Business Administration has approved more than \$1 million in Disaster Assistance Loans for residents and business owners in West Tennessee affected by the severe storms, tornadoes, straight-line winds and flooding from April 19 through June 7, 2011.

“Currently we have approved \$1,082,200.00 for individuals and businesses in West Tennessee,” said Frank Skaggs, director of SBA Field Operations Center East in Atlanta. “We are pleased to get these loans approved so the people of Tennessee can start rebuilding and resuming their normal lives.”

Survivors in the declared counties are urged to register with FEMA by calling 800-621-FEMA (3362), TTY 800-462-7585. “I encourage anyone who has not completed their disaster loan application to do so as soon as possible,” Skaggs added.

SBA offers disaster loans of up to \$200,000 for primary residence, \$40,000 for personal property and \$2 million for businesses and nonprofits. Interest rates are as low as 2.688% for homeowners and renters, 3% for non profits and 4% for businesses.

The SBA application is an important part of the federal assistance process. If the SBA is not able to approve a home loan, the individual can be referred to FEMA for possible grant assistance.

Approved loans can be increased for protective measures to lessen similar future damages. Additionally, small businesses and most private nonprofit organizations can obtain loans for unmet working capital needs.

Disaster loan information and application forms may be obtained by calling the SBA’s Disaster Assistance Customer Service Center at 800-659-2955 (800-877-8339 for people with speech or hearing disabilities) Monday through Friday from 8 a.m. to 6 p.m. and Saturday from 9:00 a.m. to 5:30 p.m. EDT or by sending an email to [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Applications can also be downloaded from [www.sba.gov](http://www.sba.gov). Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

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*For more information about the SBA’s Disaster Loan Program, visit our website at [www.sba.gov](http://www.sba.gov).*



## HELP FROM SBA

**HOMEOWNERS, RENTERS AND BUSINESSES**, if you had losses due to the severe storms, tornadoes, straight-line winds and flooding in Tennessee, you may qualify for help from the SBA.....

### ***WHO QUALIFIES?***

- HOMEOWNERS, RENTERS, BUSINESSES and NON-PROFITS with physical damages from the severe storms and flooding.
- SMALL BUSINESSES, and MOST PRIVATE, NON-PROFITS having difficulty meeting operating expenses, payroll, accounts payable and notes payable as a result of damage or losses caused by the severe storms and flooding.

### ***WHAT QUALIFIES?***

- REAL ESTATE (homes and business)
- PERSONAL PROPERTY (personal belongings such as clothing, furniture & automobiles for homeowners and renters)
- BUSINESS INVENTORY, MACHINERY & EQUIPMENT
- WORK CAPITAL (small businesses and most private non-profit organizations)

### ***WHAT ARE THE TERMS?***

Interest rates on SBA loans are as low as 2.688% for Homeowners/Renters, 3.000% for Non-Profits and 4.000% for Businesses, up to 30 years at the following limits:

- UP TO \$200,000 FOR HOMES\*
- UP TO \$40,000 FOR PERSONAL PROPERTY\*
- UP TO \$2,000,000 FOR BUSINESSES AND NON-PROFITS\*

\*SBA loans are for uninsured losses. If you have insurance, you may still be eligible for losses not covered by your insurance. You do not have to wait for an insurance settlement before applying with SBA.

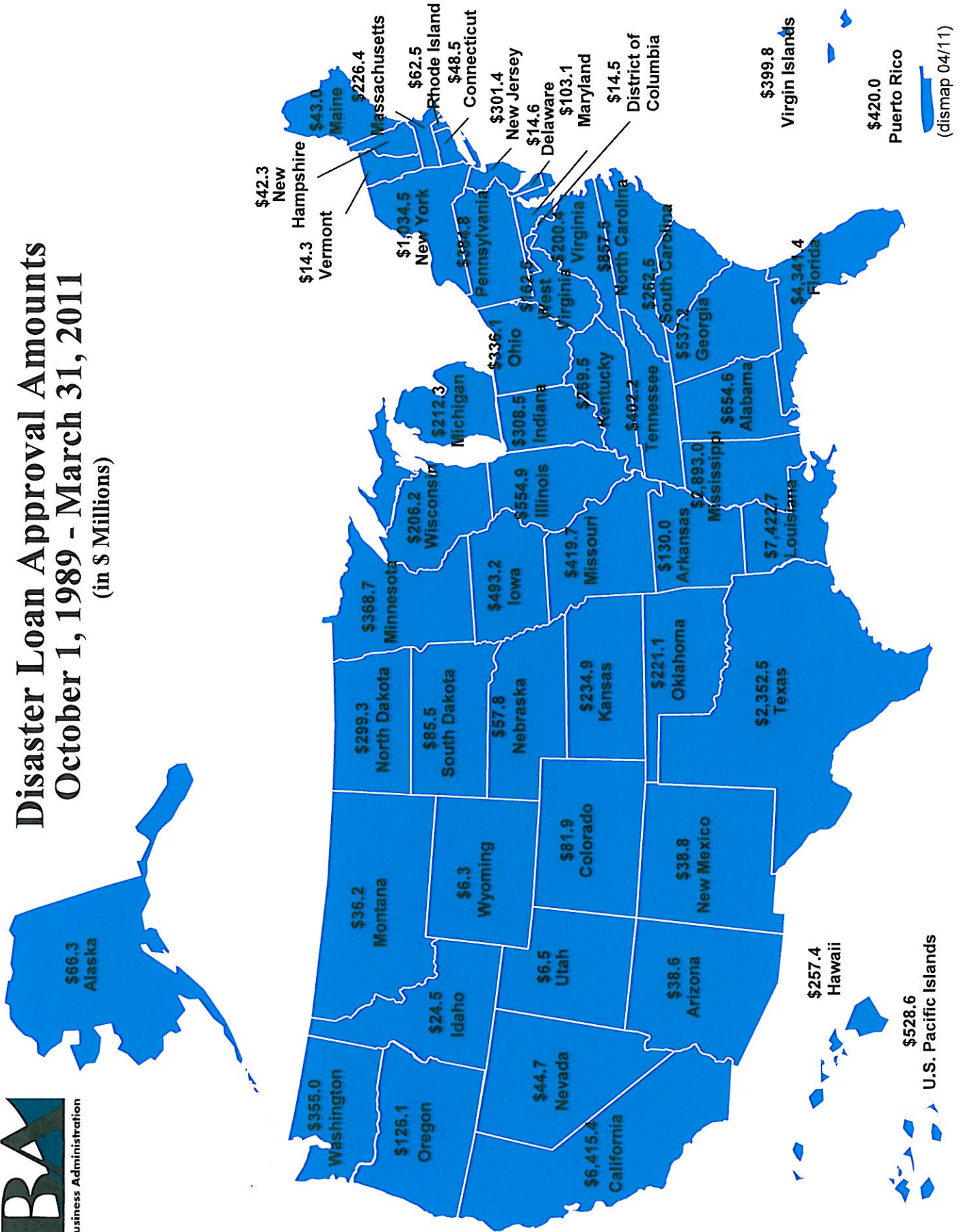
### ***HOW TO APPLY:***

**REGISTER FOR HELP BY CALLING: 1-800-621-FEMA (3362)**

**Call SBA Customer Service Center at 1-800-659-2955 for more information or to find the temporary FEMA/SBA Recovery Centers nearest you.**



# Disaster Loan Approval Amounts October 1, 1989 - March 31, 2011 (in \$ Millions)





U.S. Small Business Administration

## BASIC FACTS ABOUT SBA DISASTER LOAN PROGRAMS

In the wake of hurricanes, floods, earthquakes, wildfires, tornadoes and other physical disasters, the U.S. Small Business Administration (SBA) plays a major role. SBA's disaster loans are the primary form of federal assistance for nonfarm, private sector disaster losses. For this reason, the disaster loan program is the only form of SBA assistance not limited to small businesses. Disaster loans from SBA help homeowners, renters, businesses of all sizes and nonprofit organizations fund rebuilding. SBA's disaster loans are a critical source of economic stimulation in disaster ravaged communities, helping to spur employment and stabilize tax bases.

By providing disaster assistance in the form of loans, which are repaid to the Treasury, the SBA disaster loan program helps reduce federal disaster costs compared to other forms of assistance, such as grants. When disaster victims need to borrow to repair uninsured damages, the low-interest rates and long-terms available from SBA make recovery affordable. Because SBA tailors the repayment of each disaster loan to the borrower's financial capability, unnecessary interest subsidies paid by the taxpayers are avoided. Moreover, providing disaster assistance in the form of a loan rather than a grant, avoids creating an incentive for property owners to underinsure against risk. Disaster loans require borrowers to maintain appropriate hazard and flood insurance coverage, thereby reducing the need for future disaster assistance.

The need for SBA disaster loans is as unpredictable as the weather. In FY 2010, SBA approved 15,356 new loans for nearly \$575 million. Since the inception of the program in 1953, SBA has approved over 1.9 million in disaster loans for nearly \$49 billion.

The SBA is authorized by the Small Business Act to make two types of disaster loans:

**Physical disaster loans** are a primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster damages to privately-owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes and nonprofit organizations.

**Economic injury disaster loans** provide necessary working capital until normal operations resume after a physical disaster. The law restricts economic injury disaster loans to small businesses, small agricultural cooperatives and certain private, non-profit organizations of all sizes.

The disaster program is SBA's largest direct loan program, and the only SBA program for entities other than small businesses. By law, neither governmental units nor agricultural enterprises are eligible; agricultural producers may seek disaster assistance from specialized programs at the U.S. Department of Agriculture.

Disaster victims must repay SBA disaster loans. SBA can only approve loans to applicants with a reasonable ability to repay the loan and other obligations from earnings. The terms of each loan are established in accordance with each borrower's ability to repay. The law gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on SBA's determination of whether each applicant does or does not have credit available elsewhere (the ability to borrow or use their own resources to overcome the disaster).

SBA delivers disaster assistance through our four specialized centers: Customer Service Center - Buffalo, NY; Field Operations Center East - Atlanta, GA; Field Operations Center West - Sacramento, CA and the Loan Processing and Disbursement Center - Fort Worth, TX.

For more information, visit SBA's website at [www.sba.gov](http://www.sba.gov), call our Customer Service Center at 1-800-659-2955, or by email at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).