



U.S. Small Business  
Administration

# DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

# SBA's Disaster Loan Programs

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- **Business and Home Loans for Property Damages**  
Low-interest direct loans to businesses, nonprofits, homeowners and renters not covered by insurance or other recovery funds
- **Economic Injury Loans for Working Capital Needs**  
Low-interest direct loans to small businesses and most private nonprofit organizations
- **Making Recovery Affordable**  
Low-interest (below market) rates -set quarterly  
Affordable long terms (either 15 or 30 years)  
Payments are based on borrower's ability to pay

# SBA Disaster Loan Limits

<b>Types of Loans</b>	<b>Borrowers</b>	<b>Purpose</b>	<b>Max. Amount</b>
<b>Business Loans</b>	<b>Businesses and private nonprofits</b>	<b>Repair or replace real estate, inventory, equipment, etc.</b>	<b>\$2 million *</b>
<b>Economic Injury Loans</b>	<b>Small businesses and private nonprofits</b>	<b>Working capital loans</b>	<b>\$2 million *</b>
<b>Home Loans</b>	<b>Homeowners</b>	<b>Repair or replace primary residence</b>	<b>\$200,000</b>
<b>Home Loans</b>	<b>Homeowners and renters</b>	<b>Repair or replace personal property</b>	<b>\$40,000</b>
<b>Mitigation</b>	<b>Businesses, private nonprofits and homeowners.</b>	<b>Mitigate / prevent future loss of the same type</b>	<b>20% of verified physical damage. Homeowners limited to \$200,000.</b>

**\*The maximum business loan is \$2 million, unless the business qualifies as a Major Source of Employment (MSE).**

# Loan Eligibility Restrictions

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- Only uncompensated losses (disaster losses not compensated by insurance or other recoveries such as FEMA grants, reimbursement by another party, settlement of a lawsuit, etc.) are eligible.
- Applicants are **not** eligible if they have not complied with the terms of previous SBA loan agreements or other Federal obligations (e.g., failure to maintain required insurance, court-ordered child support, student loans, or Federal Income Tax filing requirements).

# Loan and Insurance Requirements

## Requirements for loan approval

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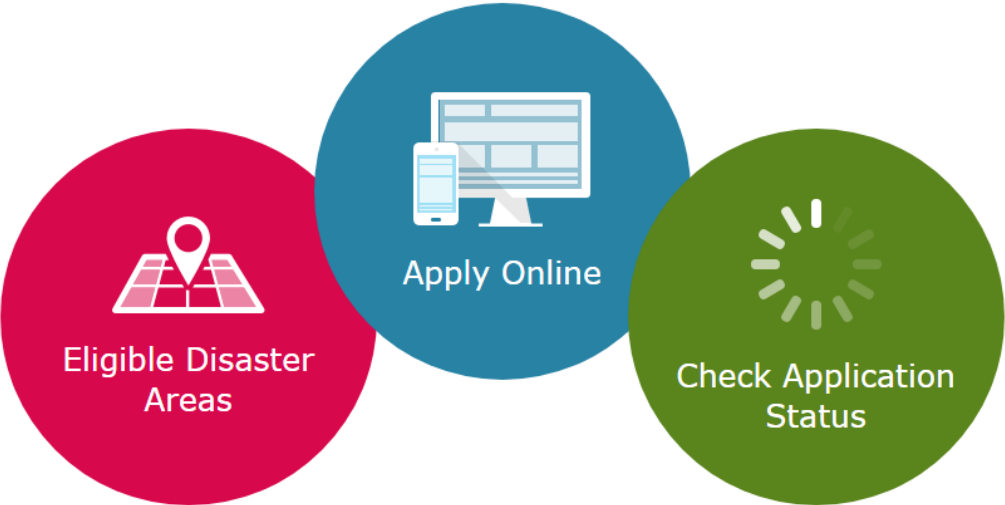
Borrowers must obtain and maintain appropriate insurance as a condition of most loans.

# Apply Online at the SBA Disaster Loan Assistance Portal

<https://disasterloan.sba.gov/ela>



The screenshot shows the top navigation bar of the SBA Disaster Loan Assistance Portal. On the left is the SBA logo with the text "U.S. Small Business Administration". On the right are links for "FAQs", "Help", "Contact Us", "Register", "Login", and a home icon. Below these are three main navigation links: "Loan Information", "Search Declarations", and "Apply Online". A large grey banner below the navigation contains the title "Disaster Loan Assistance" and the subtitle "Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters".



# Three Steps to DBA Disaster Assistance Loans

## 1: Loan Application



Begin the application process for Presidentially declared disasters by first registering with FEMA at [www.DisasterAssistance.gov](http://www.DisasterAssistance.gov), or call 800-621-FEMA (3362) or 800-462-7585 (TTY).

Then apply online at [www.DisasterLoanAssistance.sba.gov/ela](http://www.DisasterLoanAssistance.sba.gov/ela), in person at any local disaster center or call our Customer Service Center at (800) 659-2955 or TTY (800) 887-8339 to request an application by mail.

Apply as soon as possible, even if you do not know how much money will be needed. There is no need to wait for insurance claims to settle, or to receive FEMA grants or contractor estimates.

Loans can be made while your insurance recovery is pending. You are under no obligation to accept the loan if you are approved.

## 2: Application Process



Your application package (including credit and income information) and required documents are reviewed for completeness. Eligible applications are then sent to SBA's loss verification team for review, and an initial determination of total physical damage is made.

If necessary, an SBA verifier will arrange for an in-person property inspection.

An SBA loan officer will take over your case and work with you to receive any additional information needed to make a loan determination. Insurance or other recoveries are reviewed, the loan officer will provide a recommended loan amount, and advise next steps.

We strive to make loan determinations within 2 - 3 weeks after receiving your complete application packages.

## 3: Loan Closure & Disbursement



Loan closing documents are prepared for your signature. Upon return of the signed documents, an initial disbursement will be made within 5 business days up to the following amounts: physical damage - \$25,000; economic injury (working capital) - \$25,000 which can be in addition to the physical damage disbursement for eligible businesses.

An assigned case manager will work with you to answer questions and help you meet all loan conditions. He/she will schedule the subsequent disbursements of any remaining loan amount. Your loan may be adjusted (up or down) after closing due to changing circumstances, such as unexpected repair costs or if you receive additional insurance proceeds for the same purposes.

Compare the various disaster assistance loans in the following chart to select the one that fits your situation.

	BUSINESSES & NONPROFITS	HOMEOWNERS & RENTERS
<b>Physical Damage Disaster Loans</b>	Repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. <b>Loans up to \$2 million.</b>	Homeowners may use loan proceeds to repair or replace a primary residence to its pre-disaster condition. <b>Loans up to \$200,000.</b>
<b>Damaged Personal Property Loans</b>	N/A	Homeowners or renters may use loan proceeds to repair or replace furniture, appliances, vehicles, and/or other personal property. <b>Loans up to \$40,000.</b>
<b>Maximum Loan Amount</b>	The maximum loan for any combination of property damage and/or economic injury is <b>\$2 million.</b>	The maximum loan for any combination of real and personal property damage, voluntary mitigation measures, refinancing, and contractor malfeasance (wrongdoing or misconduct) is <b>\$840,000.</b>
<b>Can Loans Be Used to Mitigate Against Future Damage?</b>	Yes; loans can be increased by up to 20 percent of verified physical damages to add approved mitigation measures.	Yes; loans can be increased by up to 20 percent of verified physical damages to add approved mitigation measures to a homeowner's primary residence.
<b>Interest Rates</b>	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit <a href="http://www.disasterloanassistance.sba.gov/ela">http://www.disasterloanassistance.sba.gov/ela</a> for current interest rates	Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit <a href="http://www.disasterloanassistance.sba.gov/ela">http://www.disasterloanassistance.sba.gov/ela</a> for current interest rates.
<b>Maximum Loan Term</b>	Up to 30 years based upon repayment ability and SBA policy. There are no prepayment penalties.	Up to 30 years based upon repayment ability and SBA policy. There are no prepayment penalties.

For required documents, go to <https://disasterloanassistance.sba.gov/ela/s/article/Paper-Forms>

# **SBA Disaster Loans Promote Mitigation**

## ***Project Examples***

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# Role of SBA Resource Partners

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Consulting provided by SBA's Resource Partners is a vital form of disaster assistance and helps businesses:

- Successfully stay in operation.
- Develop operational, financial and marketing plans.
- Consider alternative sources of revenue.
- Identify ways to reduce costs.
- Update management and technical services.



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