

# SBA Disaster Assistance Program

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## SBA's Role in Disaster Recovery



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# SBA History in Making Disaster Loans

The SBA's low interest loan program was designed by Congress to enable those affected by unforeseen catastrophic events to recover with as little adverse impact as possible.



SBA has been making disaster loans since 1953, and has approved more than \$53 billion in disaster loans to over 1.9 million businesses, homeowners and renters.

# Types of SBA Disaster Declarations

- Presidential (Individual)
- Administrative (Agency)
- Presidential (Public Assistance)
- Governor's Certification
- Secretary of Agriculture
- Military Reservist



# Who Can Apply?

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- Homeowners
- Renters
- Associations
- Homeowner Association Unit Owners
- Non-Profits
- Business Owners
- Farmers

# Features of SBA Disaster Loans

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- Loan terms
- Interest Rates
- Maximum Loan Amounts

# Collateral Requirements

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SBA will not decline a loan for lack of collateral, but requires collateral that is available.

# Eligible Use of Funds

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- Repair or replace real estate, equipment, furniture
- Repair or replace personal property
- Provide working capital
- Mitigation
- Relocation Assistance

# Ineligible Use of Loan Funds

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- No upgrades or additions
- Cannot be used for secondary homes or vacation properties
- No deferred maintenance

# Notification of a Disaster

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- Fact Sheets
- Press Releases
- Flyers, Press Kits, Other Outreach

# Minimum Required Documents

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- Application.
- IRS Form 8821 or 4506T
- Insurance Information

# Application Deadlines

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- 60 days or nine months
- Extensions are allowed on a case-by-case basis

# Examples of Reasons for Late Acceptance

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- The serious illness
- Frequent moves/temporary relocation
- Lack of normal mail service
- Active-duty military officially stationed out of the disaster area
- Applicant was out of the country
- Hidden damage

# Insurance

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There is no need to wait for the insurance settlement before applying for the SBA loan.

SBA can approve a loan for the total replacement cost up to our lending limits.

Once the insurance settles, if there is a duplication of benefits, SBA will apply those funds to the balance of the disaster loan.

# The Three Step Process: Disaster Loans

In Presidential declarations, survivors should first register with FEMA at 1-800-621-3362 or [www.disasterassistance.gov](http://www.disasterassistance.gov)



**STEP 1:**  
**Apply for Loan**

There are three ways to apply:

- Apply on-line at SBA's secured website: <https://disasterloan.sba.gov/ela>;
- Apply in person at a recovery center; or
- Submit an application by mail.

# The Three Step Process: Disaster Loans



## STEP 2: Property Verified and Loan Processing Decision Made

- An SBA verifier will complete an onsite inspection to verify the applicant's disaster damaged property to estimate the total physical losses.
- The file will be processed and a decision is made. The goal is to arrive at a decision on the application within 2 to 3 weeks.

# The Three Step Process: Disaster Loans



## STEP 3: Loan Closed and Funds Disbursed

- If approved, the SBA will prepare and send Loan Closing Documents for the borrower's signature.
- Once the executed Loan Closing Documents are received, an initial disbursement may be made within five days.

# Disasters You Might Have Heard Of

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Hurricane Katrina

Hurricane Sandy

# Helpful Websites

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[www.sba.gov/services/DisasterAssistance](http://www.sba.gov/services/DisasterAssistance) provides disaster assistance resources.

[www.PrepareMyBusiness.org](http://www.PrepareMyBusiness.org) provides business-focused disaster preparedness and planning tools.

[www.Ready.gov](http://www.Ready.gov) has emergency preparedness publications available to the public at no cost.

[www.ReadyRating.org](http://www.ReadyRating.org) is a free program from the American Red Cross that helps businesses, schools and organizations become prepared for disasters and other emergencies.

[www.DisasterSafety.org](http://www.DisasterSafety.org) (Insurance Institute for Business & Home Safety) advises home and business owners how to prepare for disasters.

# SBA Resource Partners

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Small Business Development Centers (SBDCs)

Women's Business Development Centers (WBCs)

SCORE Chapters

Work with SBA to help businesses recover from disaster.

# Contacts

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For More Information,  
Contact SBA's Customer Service Center at:

1-800-659-2955 / 1-800-877-8339 (TTY)

Or

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