



U.S. Small Business Administration

DISASTER NEWS

Economic Injury Loans for Small Businesses

SBA Disaster Assistance—Field Operations Center East-One Baltimore Place, Suite 300-Atlanta, GA 30308

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SBA LOW-INTEREST DISASTER LOANS ARE NOW AVAILABLE AS A RESULT OF THE POWER OUTAGE IN QUEENS

New York, N. Y. - The U.S. Small Business Administration announced today that Queens County and contiguous counties of Kings, New York, Bronx, and Nassau in the State of New York have been declared a disaster area as a result of the power outage that occurred from July 17, 2006 and continuing.

“As a result of this declaration, low-interest loans are available to small businesses that sustained economic injury due to the power outage,” said Frank Skaggs, Director of SBA Field Operations Center East. “If your business suffered substantial economic injury from this event you are eligible to apply for assistance.”

To assist businesses, SBA is opening a temporary Loan Assistance Center in Commerce Bank, 31 – 04 Ditmars Boulevard, Astoria, New York 11105. The Center will open Tuesday, August 1 at 10 a.m. and will remain open Monday – Friday, 10 a.m. – 8 p.m., until further notice.

Eligible small businesses may qualify for loans up to \$1.5 million. These loans are available at a 4 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition.

“SBA can help these small businesses overcome their economic injuries by offering these working capital loans, but the help cannot start until they submit an SBA Disaster Loan application to us”, Skaggs added.

Applications and program information are also available by calling the SBA’s Customer Service Center at 1-800-659-2955 (for the hearing impaired 1-800-877-8339); Monday through Saturday from 8 a.m. until 9 p.m. EDT. For further information on the qualifications for this loan, or to download the SBA Disaster Business Loan application, visit our website at: www.sba.gov/disaster. Completed applications should be returned to the Loan Assistance Center or mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Ft. Worth, TX. 76155.

Completed loan applications must be returned to SBA no later than **May 1, 2007**.

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For more information about the SBA’s Disaster Loan Programs visit our website at www.sba.gov/disaster

Editor's Note: [Additional information on this disaster declaration is below:](#)



U. S. SMALL BUSINESS ADMINISTRATION FACT SHEET ECONOMIC INJURY DISASTER LOANS

SBA DISASTER DECLARATION DUE TO THE GOVERNOR'S CERTIFICATION OF ECONOMIC INJURY

STATE: **New York #10554**

INCIDENT AND DATE: **Power Outage Precipitated by Extreme Heat and Rising Temperatures that occurred July 17, 2006 and continuing.**

TYPE OF LOAN:

- Economic Injury Disaster Loans (called EIDLs) are working capital loans to meet necessary financial obligations, which cannot be met because of the disaster.

ELIGIBILITY LIMITATIONS:

- Only small businesses and small agricultural cooperatives are eligible.
- The economic injury must have been the direct result of the disaster designated.
- The applicant business must be located in the declared disaster area or in a contiguous county.
- Loan assistance is available only to the extent the business and its owners cannot meet necessary financial obligations due to the disaster. This determination is made by SBA.
- Only applicants who do not have "**Credit Available Elsewhere**" are eligible. That determination is made by SBA based on whether the business and its owners cannot recover from the disaster injury with their own resources or by borrowing from non-government sources.
- Farmers and ranchers are not eligible. Assistance for farmers and ranchers is provided by the U. S. Department of Agriculture.
- Certain other businesses may not be eligible. These include businesses engaged in the buying and selling of investment property.

CREDIT REQUIREMENTS:

- These are loans and applicants must show that they have repayment ability. Loans in excess of \$5,000 must be secured with collateral. Generally, this will include a lien on the applicant's business and/or personal real estate. However, loans will not be declined for lack of a fixed amount of collateral.

INTEREST RATES:

- The interest rate for **small businesses** and small agricultural cooperatives unable to obtain credit elsewhere is 4.000%.

LOAN AMOUNT:

- The total loan amount to any one business entity (including affiliates) cannot exceed \$1,500,000. Actual loan amounts are determined by SBA based on the amount of disaster-caused economic injury and the business' disaster-caused financial needs.

LOAN TERM:

- Loan terms not to exceed 30 years are available. Loan terms are individually determined based upon what is reasonable in consideration of the applicant's repayment ability.

FLOOD INSURANCE REQUIREMENTS:

- Applicants with existing SBA loans which require them to maintain flood insurance are not eligible if they have not maintained their flood insurance.
- Generally, if collateral securing the loan is located in a special flood hazard area, the applicant may be required to purchase and maintain flood insurance as a condition of any loan.

LOAN APPLICATION FILING DEADLINE:

- Applications for this declared disaster must be filed by: May 1, 2007

For additional information, contact:

SBA Disaster Assistance Customer Service Center

1-800-659-2955

<http://www.sba.gov/disaster>

Monday – Saturday; 8:00 A.M. – 9:00 P.M. (Eastern Time)