

# SBA DISASTER ASSISTANCE

## Federal Disaster Loans for Homeowners, Renters and Businesses of All Sizes

**The right information can help you get the disaster assistance you need**

*I registered with the Federal Emergency Management Agency (FEMA) and then I received a disaster loan application from the U. S. Small Business Administration (SBA). I don't have a small business, so why do I need to apply to SBA?*

Homeowners, renters, and non-farm businesses (including rental properties) of all sizes whose property was damaged by **Hurricane Gustav on September 1 & Hurricane Ike on September 7**, should apply for a low-interest SBA disaster loan. For disaster damage to private property that is not fully covered by insurance, the basic form of Federal disaster assistance is an SBA disaster loan. SBA is the primary source of Federal money for long-term disaster recovery.

*I have already received money from FEMA. Does that mean I still need to apply to SBA for a disaster loan?*

FEMA has provided temporary housing money to many homeowners and renters. If your home was destroyed or was not habitable, you may have received money to pay for temporary accommodations elsewhere. If your home was not livable, you may have received money to pay for essential repairs so you could stay there. In both cases, FEMA funds were not intended to pay for all the costs of repairing your damaged home, or for replacing your personal property. SBA disaster loans are available to cover the amount of your repair costs that have not already been fully compensated.

*I was told by a disaster official that my damages are not eligible. Therefore, I can't apply for an SBA disaster loan.* If you received this mailing, you probably are eligible to apply to SBA for a disaster loan. Homeowners, renters,

and non-farm businesses (including rental properties) of all sizes are eligible to apply to SBA for funds to meet repair costs not fully covered by insurance. You should apply to SBA and give us a chance to try and help you.

*My homeowner's or flood insurance will cover my loss. Why do I need to apply for an SBA disaster loan?*

In past disasters, SBA has learned that many property owners can't recover all of their rebuilding costs from their insurance settlement. That's because of policy limits, actual replacement costs that exceed what the policy covers, the extra costs of code required upgrades imposed after the disaster, deductibles and other factors. Even people who believe they have complete insurance coverage often find they have a substantial shortfall and they need additional financial help. That's where a disaster loan from SBA can help. It can cover the costs that aren't fully covered by your flood or homeowner's insurance policies.

*I have homeowners' insurance and I know I am going to get some insurance money, but I don't know how much or when. Should I find out how much my insurance settlement will be before applying for a disaster loan?*

You don't need to wait for an insurance settlement before filing your application. SBA can lend you the full amount of your damages (up to our lending limits) even before you receive your insurance recovery. Then you can use the insurance funds to reduce the balance of your SBA disaster loan.

*I don't know how much it will cost to repair or rebuild yet. Should I find out first before applying for a disaster loan?*

You don't need to know how much your repairs will cost before applying for an SBA disaster loan, and you don't need a contractor's estimate. Also, you don't need to wait for an insurance settlement. After you apply, SBA will inspect your property and prepare an estimate of your repair costs.



**Homeowners, renters, and businesses of any size may need an SBA disaster loan to get back on their feet quickly**

*I have good credit and I can borrow from my bank. Will I qualify for a disaster loan?*

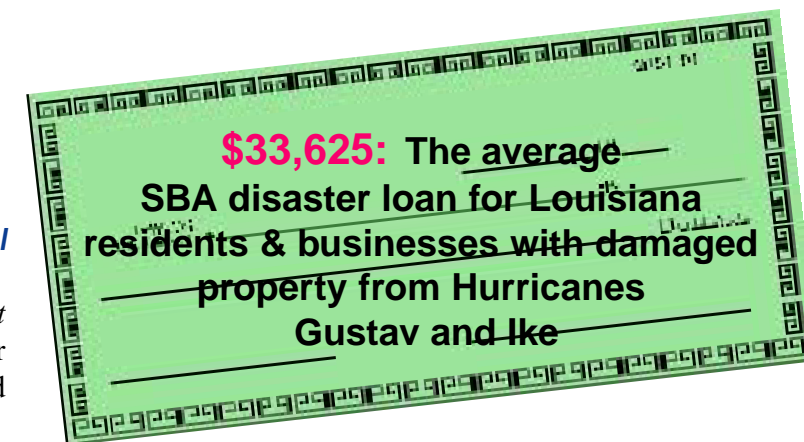
Having a good credit record and a good income does *not* disqualify you from receiving help. Paying for disaster repairs is an unplanned expense, and most people need some help to get back on their feet quickly.

*I don't think I can afford a loan. Why should I apply?*

If you are a homeowner or renter and SBA determines you cannot afford a loan, SBA will automatically refer you to FEMA's Other Needs Assistance (ONA) program. The ONA program is a safety net available only to individuals and families, and is *not* available to businesses. It is intended to help meet essential needs not met by any other form of assistance, including SBA disaster loans. Please note that if you have an SBA disaster loan application, you cannot be referred to the ONA program unless you return your loan application to SBA and SBA determines you cannot qualify for a loan.

*I already have a mortgage and I can't afford another loan. Can SBA help me?*

SBA tries to make a disaster loan fit within the budget of each disaster victim. Moreover, when your property is substantially damaged and you need help to pay both your mortgage and your repair costs, SBA may be able to refinance your mortgage. In such cases, an SBA disaster

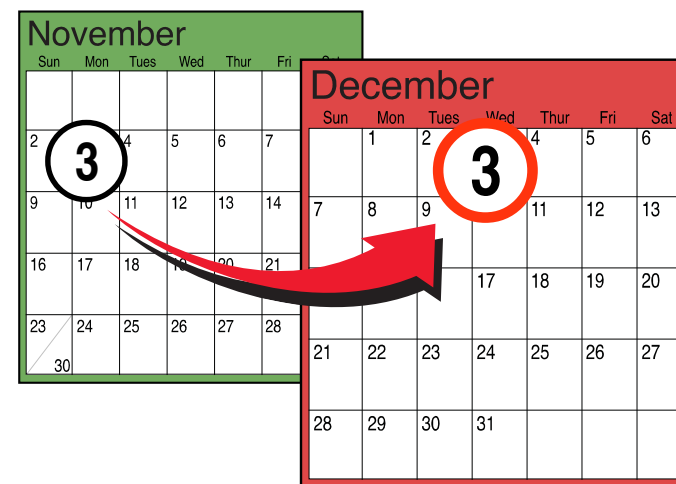


loan can both pay off the pre-disaster mortgage and fund the disaster repairs. Often the disaster loan will have a monthly payment about the same as your mortgage payment before the disaster. If you think you need this kind of assistance, you should discuss your case directly with an SBA representative.

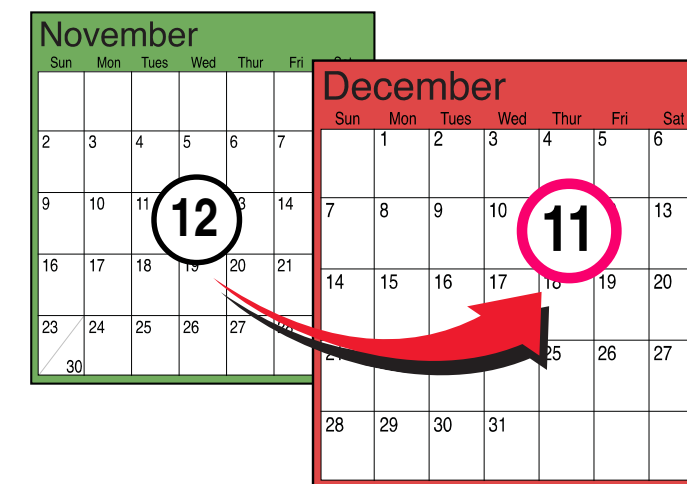
**You may be surprised to know that SBA disaster loans have affordable terms**

*I'm having difficulty filling out the loan application paperwork. Will SBA help me?*

If you need any assistance, SBA is available to help you. You should visit with an SBA representative at a disaster office. You may stop by at your convenience, and you don't need an appointment. SBA is eager to meet with you to answer your questions, discuss any concerns you have, and help you complete your loan application. If you can't meet with us in person, you may call our toll-free telephone number **(800) 659-2955** to get help.



**The Hurricane Gustav deadline to apply for Federal disaster assistance has been extended to December 3, 2008.**



**The Hurricane Ike deadline to apply for Federal disaster assistance has been extended to December 11, 2008.**



## Facts about SBA Disaster Assistance

- ❑ **Homeowners** may apply for up to \$200,000 to repair or replace damaged or destroyed real estate, and up to \$40,000 to repair or replace damaged or destroyed personal property.
- ❑ **Renters** may apply for up to \$40,000 to repair or replace damaged or destroyed personal property.
- ❑ **Businesses of all sizes and private, non-profit organizations** may apply for up to \$2 million to repair or replace real estate, leasehold improvements, machinery and equipment, inventory, furniture and fixtures, and other assets.
- ❑ Additionally, SBA offers Economic Injury Disaster Loans of up to \$2 million. These are working capital loans available to small businesses and most private, non-profit organizations of any size with or without property damage that suffered an adverse economic effect from the disaster.
- ❑ In certain cases, SBA can help *refinance* prior liens to make disaster loans for property damage more affordable.
- ❑ SBA can also lend additional funds to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring in the future.

***To receive the best service, we urge you to bring your loan application to one of the local disaster offices listed on the enclosed page. Or, when you have completed your disaster loan application, please mail it to:***

U. S. Small Business Administration  
National Processing & Disbursement Center  
14925 Kingsport Road  
Fort Worth, TX 76155-2243

If you have further questions, you may contact SBA's Customer Service Center toll-free at (800) 659-2955, hearing impaired individuals may call our toll-free TDD line at (800) 877-8339. You can also e-mail SBA at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Or visit our website [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance).

***Additionally, you may now go online to file an SBA application for disaster assistance. The Electronic Loan Application (ELA) is accessible via SBA's secure Web site at: <https://disasterloan.sba.gov/ela>.***

11418 LA - Hurricanes Gustav & Ike



Disaster Office  
P.O. Box 419004  
Sacramento, CA 95841-9004

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

**FIRST CLASS MAIL**

**DISASTER RECOVERY  
INFORMATION ENCLOSED**

First Class Mail  
Postage & Fees Paid  
SBA  
Permit No. G-82

***Tell a Friend or Neighbor!***

Help your friends and neighbors by making sure they have registered for Federal/State disaster assistance.

Please remind them to call FEMA toll-free at:  
**(800) 621-3362**

**IMPORTANT DISASTER  
INFORMATION INSIDE!**