



U.S. Small Business
Administration

DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

Getting Disaster Help From SBA

- What you need to know
- Three Ways to apply to SBA
- What you need to do
- Electronic Loan Application Issues



SBA's Disaster Loan Programs

- **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**

For small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, nonprofit organizations of any size, SBA offers Economic Injury Disaster Loans to help meet working capital needs caused by the disaster

Making Recovery Affordable

The Small Business Act and additional disaster laws provide SBA tools to make disaster loans 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
- In certain circumstances, borrowers may be able to refinance existing liens or mortgages, or may use an SBA loan to relocate (cases have specific criteria and limits)

(NOTE: Loan amounts and terms are set by SBA and based on each applicant's financial condition)

SBA Disaster Loan Limits

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

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

Loan Eligibility Restrictions

- 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



Eligibility

- Damaged property must be in a declared area.



Credit History

- Applicants must have a credit history acceptable to SBA.



Repayment

- Applicants must show the ability to repay all loans.

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



Hazard Insurance

- Required on all secured loans.



Flood insurance

- Required for properties located in a Special Flood Hazard Area (SFHA) and for properties damaged in a flood disaster.

Apply Online at the SBA Disaster Loan Assistance Portal

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



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Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters



Eligible Disaster
Areas



Apply Online



Check Application
Status

SBA.gov

3-Step Loan Process

FEMA Disaster Assistance

Other Ways To Apply

- Apply in person at any **Disaster Recovery Center** and receive personal, one-on-one help from an SBA representative.
 - Juan M Guerrero Elementary School (Closes July 27)
 - Guam Community College Building E
 - M-F 8 -5
 - Sat 9-2
- Apply by mail: Send completed paper application to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.
- **Grace Period**

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, or call 800-621-FEMA (3362) or 800-462-7585 (TTY).

Then apply online at 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 |
|--|---|--|
| Physical Damage Disaster Loans | Repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. Loans up to \$2 million. | Homeowners may use loan proceeds to repair or replace a primary residence to its pre-disaster condition. Loans up to \$200,000. |
| Damaged Personal Property Loans | N/A | Homeowners or renters may use loan proceeds to repair or replace furniture, appliances, vehicles, and/or other personal property. Loans up to \$40,000. |
| Maximum Loan Amount | The maximum loan for any combination of property damage and/or economic injury is \$2 million. | The maximum loan for any combination of real and personal property damage, voluntary mitigation measures, refinancing, and contractor malfeasance (wrongdoing or misconduct) is \$840,000. |
| Can Loans Be Used to Mitigate Against Future Damage? | 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. |
| Interest Rates | Low interest rates are fixed for the entire loan term and are set based on the date the disaster occurred. Visit http://www.disasterloanassistance.sba.gov/ela 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 http://www.disasterloanassistance.sba.gov/ela for current interest rates. |
| Maximum Loan Term | 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>

Electronic Loan Application Issues

- **Log-in Gov**
 - Over 90% of the problems that applicants experience
 - 800-659-2955 or visit the BRC/DRC
- **Upload of Documents**
 - The option to email documents to the PDC does not apply to Guam. You must bring to the BRC/DRC, or if requested by a loan officer or case manager, you can email to them directly.
- **IRS form 4506C – SBA uses this form to request tax transcripts.**
 - if an applicant reports that they cannot get past the completion of the 4506C in the ELA, they have to select the option to deliver the 4506C document offline, print it out, sign the form and bring it to a BRC/DRC.

Business Recovery Center Location

Business Recovery Center

University of Guam, Pacific SBDC
Jesus & Eugenia Leon Guerrero Business
and Public Administration Building
303 University Dr.
Mangilao, GU 96923
Mondays - Fridays, 9 a.m. – 6 p.m.

SBA Disaster Loans Promote Mitigation

Project Examples



Flood Mitigation

- Seal your roof deck
- Elevate structures
- Add a sump pump
- Relocate outside of a flood plain
- Landscape your property to improve water runoff and drainage



Wildfire Mitigation

- Install a Class A fire-rated roof
- Install noncombustible
- Remove roof and gutter debris that can be ignited by airborne embers



Wind Mitigation

- Brace/upgrade to wind-rated garage doors
- Install hurricane roof straps
- Upgrade to pressure-rated windows



Earthquake Mitigation

- Install window film to prevent shattered glass injuries
- Anchor roof-top mounted equipment

Role of SBA Resource Partners

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.



Jesus & Eugenia Leon Guerrero
Business & Public
Administration Building #148

University of Guam, University
Drive

Mangilao, Guam 96923

**Building is closed until
further notice. Please call or
email.**

(671) 735-2950

sbdc@pacificsbdc.com

<https://www.pacificsbdc.com>

Questions



SBA Office of Disaster Recovery and Resilience Contacts for the Public

For More Information about SBA disaster assistance
programs, go to:

www.sba.gov/disaster

Contact SBA's
Customer Service Center at:
1-800-659-2955 / 1-800-877-8339 (TTY)

Or by email at:
disastercustomerservice@sba.gov