Date: 02/02//2023

U.S. Small Business Administration

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

(SBA DISASTER DECLARATION DUE TO DESIGNATION BY THE SECRETARY OF AGRICULTURE)

PENNSYLVANIA Declaration #17772
(Disaster: PA-00129)
Incident: Drought

occurring: June 01, 2022 through August 30, 2022

in the ***Pennsylvania*** *counties of:* ***Clarion, Clearfield, Elk, Forest, Jefferson, Venango, and Warren;*** *the contiguous* ***Pennsylvania*** *counties of:* ***Armstrong, Blair, Butler, Cambria, Cameron, Centre, Clinton, Crawford, Erie, Indiana, McKean, and Mercer;*** *and the contiguous* ***New York*** *counties of:* ***Cattaraugus and Chautauqua***

***Application Filing Deadline:* October 2, 2023**

Disaster Loan Assistance Available:

Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, and small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDL loans over $25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

Interest Rates:

The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 2.935 percent.

Loan Terms:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

Loan Amount Limit:

The law limits EIDLs to $2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance, and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the $2,000,000 statutory limit.

Loan Eligibility Restrictions:

- The applicant business must be located in the declared disaster area.
- Only uninsured or otherwise uncompensated disaster losses are eligible.
- The economic injury must have been the direct result of the declared disaster.
- Nurseries are only eligible for economic injury caused by declared drought disasters.
- By law, agricultural enterprises such as farmers and ranchers are not eligible for any type of SBA assistance.
- Applicants who have not complied with the terms of previous SBA loans are not eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA loans.
- 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.

Note: Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.

Refinancing:
Economic injury disaster loans cannot be used to refinance long term debts.

Insurance Requirements:
To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of 1) the total of the disaster loan, 2) the insurable value of the property, or 3) the maximum insurance available.

Completing the SBA Loan Application:
The application asks for the same information about the business and its principal owners that are generally required for a bank loan. If you need help, SBA personnel will explain the forms and give you assistance at no charge. You may use the services of accountants, attorneys, or other representatives at your own expense, if you wish. Use of a representative and the fees they charged must be listed on your loan application.

Applicants may apply online, receive additional disaster assistance information, and download applications at https://disasterloanassistance.sba.gov/ela. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.