



# DISASTER NEWS

*Loans for Businesses of all Sizes, Homeowners and Renters*

SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

**Release Date:** Sept. 3, 2014  
**Release Number:** 15-348 IL 14448/14449

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## SBA Offers Disaster Assistance to Residents of Illinois

### Affected by June/July Severe Storms, Flooding and Tornadoes

**WASHINGTON** – Illinois businesses and residents affected by the severe storms, flooding and tornadoes between June 7 and July 31, can apply for low-interest disaster loans from the U.S. Small Business Administration, SBA Administrator Maria Contreras-Sweet announced today.

Contreras-Sweet made the loans available in response to a letter from Gov. Bruce Rauner on Aug. 27, requesting a disaster declaration by the SBA. The declaration covers Grundy and Iroquois counties and the adjacent counties of Ford, Kankakee, Kendall, La Salle, Livingston, Vermilion and Will in **Illinois**; Benton and Newton in **Indiana**.

“The SBA is strongly committed to providing the people of Illinois with the most effective and customer-focused response possible to assist businesses of all sizes, homeowners and renters with federal disaster loans,” said Contreras-Sweet. “Getting businesses and communities up and running after a disaster is our highest priority at SBA.”

“Businesses and nonprofit organizations of any size may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets,” said SBA’s Illinois District Director Robert S. Steiner.

The Centers are located in the following communities and will open as indicated:

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|---|---|
| <p><b><u>Grundy County</u></b><br/>Coal City Public Library District<br/>85 North Garfield Street<br/>Coal City, Illinois 60416</p> <p><b>Opens: Wednesday, Sept. 9 at 9 a.m.</b></p> | <p><b>Hours:</b> Monday – Friday, 9 a.m. to 6 p.m.<br/>Saturday, Sept. 12, 9 a.m. to 1 p.m.<br/><b>Closing:</b> Thursday, Sept. 17 at 4 p.m.</p> <p>Sunday-Closed</p> |
| <p><b><u>Iroquois County</u></b><br/>Watseka City Hall<br/>201 Brianna Drive<br/>Watseka, Illinois 60970</p> <p><b>Opens: Wednesday, Sept. 9 at 9 a.m.</b></p>                        | <p><b>Hours:</b> Monday – Friday, 9 a.m. to 6 p.m.<br/>Saturday, Sept. 12, 9 a.m. to 1 p.m.<br/><b>Closing:</b> Thursday, Sept. 17 at 4 p.m.</p> <p>Sunday-Closed</p> |

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For small businesses, small agricultural cooperatives, small aquaculture businesses and most private nonprofit organizations of all sizes, the SBA offers Economic Injury Disaster Loans (EIDLs) to help meet working capital needs caused by the disaster. EIDL assistance is available regardless of whether the business suffered any physical property damage.

“Loans up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible for loans up to \$40,000 to repair or replace damaged or destroyed personal property,” said Frank Skaggs, director of SBA’s Field Operations Center East in Atlanta. SBA’s customer service representatives are available at the Disaster Loan Outreach Centers to answer questions about the disaster loan program and help individuals complete their applications.

Interest rates are as low as 4 percent for businesses, 2.625 percent for nonprofit organizations, and 1.688 percent for homeowners and renters with terms up to 30 years. Loan amount and terms are set by the SBA and are based on each applicant’s financial condition.

Applicants may be eligible for a loan amount increase up to 20 percent of their physical damages, as verified by the SBA, to make improvements that help prevent the risk of future property damage caused by a similar disaster.

Applicants may apply online using the Electronic Loan Application (ELA) via SBA’s secure website at <https://disasterloan.sba.gov/ela>.

Businesses and individuals may also obtain information and loan applications by calling the SBA’s Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the deaf and hard-of-hearing), or by emailing [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Loan applications can also be downloaded at [www.sba.gov/disaster](http://www.sba.gov/disaster). Completed applications should be returned to the centers or mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

The filing deadline to return applications for physical property damage is **Nov. 2, 2015**. The deadline to return economic injury applications is **June 3, 2016**.

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*For more information about the SBA’s Disaster Loan Program, visit our website at [www.sba.gov/disaster](http://www.sba.gov/disaster).*



## U. S. SMALL BUSINESS ADMINISTRATION FACT SHEET - DISASTER LOANS

### ILLINOIS Declaration 14448 & 14449

(Disaster: IL-00046)

Incident: Severe Storms, Flooding and Tornadoes

occurring: June 7, 2015 through July 31, 2015

For Grundy and Iroquois counties; and the contiguous counties of Ford, Kankakee, Kendall, LaSalle, Livingston, Vermilion and Will in the state of Illinois; Benton and Newton in the state of Indiana.

#### **Application Filing Deadlines:**

Physical Damage: November 2, 2015 Economic Injury: June 3, 2016

Whether you rent or own your home, own a business, or a small agricultural cooperative located in a declared disaster area, and are the victim of a disaster, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

#### **What Types of Disaster Loans are Available?**

- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster-damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles.
- Business Physical Disaster Loans – Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible.
- Economic Injury Disaster Loans (EIDL) – Working capital loans to help small businesses, small agricultural cooperatives, 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.
- EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration.

#### **What are the Credit Requirements?**

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay all loans.
- Collateral – Collateral is required for physical loss loans over \$14,000 and 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 requires you to pledge what is available.

#### **What are the Interest Rates?**

By law, the interest rates depend on whether each applicant has Credit Available Elsewhere. An applicant does not have Credit Available Elsewhere when SBA determines the applicant does not have sufficient funds or other resources, or the ability to borrow from non-government sources, to provide for its own disaster recovery. An applicant, which SBA determines to have the ability to provide for his or her own recovery is deemed to have Credit Available Elsewhere. Interest rates are fixed for the term of the loan. The interest rates applicable for this disaster are:

|  | No Credit Available<br>Elsewhere | Credit Available<br>Elsewhere |
|--|----------------------------------|-------------------------------|
| Home Loans                                     | 1.688%                           | 3.375%                        |
| Business Loans                                 | 4.000%                           | 6.000%                        |
| Non-Profit Organization Loans                  | 2.625%                           | 2.625%                        |
| Economic Injury Loans                          |                                  |                               |
| Businesses and Small Agricultural Cooperatives | 4.000%                           | N/A                           |
| Non-Profit Organizations                       | 2.625%                           | N/A                           |

**What are Loan Terms?**

The law authorizes loan terms up to a maximum of 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 7-year term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

**What are the Loan Amount Limits?**

- **Home Loans** – SBA regulations limit home loans to \$200,000 for the repair or replacement of real estate and \$40,000 to repair or replace personal property. Subject to these maximums, loan amounts cannot exceed the verified uninsured disaster loss.
- **Business Loans** – The law limits business loans to \$2,000,000 for the repair or replacement of real estate, inventories, machinery, equipment and all other physical losses. Subject to this maximum, loan amounts cannot exceed the verified uninsured disaster loss.
- **Economic Injury Disaster Loans (EIDL)** – 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.
- **Business Loan Ceiling** – The \$2,000,000 statutory limit for business loans applies to the combination of physical, economic injury, mitigation and refinancing, and applies to all disaster loans to a business and its affiliates for each disaster. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

**What Restrictions are there on Loan Eligibility?**

- **Uninsured Losses** – Only uninsured or otherwise uncompensated disaster losses are eligible. Any insurance proceeds which are required to be applied against outstanding mortgages are not available to fund disaster repairs and do not reduce loan eligibility. However, any insurance proceeds voluntarily applied to any outstanding mortgages do reduce loan eligibility.
- **Ineligible Property** – Secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible, unless used for business purposes. Property such as antiques and collections are eligible only to the extent of their functional value. Amounts for landscaping, swimming pools, etc., are limited.
- **Noncompliance** – 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 or Federally insured loans.

**Is There Help with Funding Mitigation Improvements?**

If your loan application is approved, you may be eligible for additional funds to cover the cost of improvements that will protect your property against future damage. Examples of improvements include retaining walls, seawalls, sump pumps, etc. Mitigation loan money would be in addition to the amount of the approved loan, but may not exceed 20 percent of total amount of physical loss, as verified by SBA to a maximum of \$200,000 for home loans. It is not necessary for the description of improvements and cost estimates to be submitted with the application. SBA approval of the mitigating measures will be required before any loan increase.

**Is There Help Available for Refinancing?**

- SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40 percent or more of the value of the property), and (3) intends to repair the damage.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, in some cases up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.

**What if I Decide to Relocate?**

You may use your SBA disaster loan to relocate. The amount of the relocation loan depends on whether you relocate voluntarily or involuntarily. If you are interested in relocation, an SBA representative can provide you with more details on your specific situation.

**Are There Insurance Requirements for Loans?**

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 for the full insurable value of the property for the life of the loan.

For more information, contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov), or visiting SBA's Web site at [www.sba.gov/disaster](http://www.sba.gov/disaster). Deaf and hard-of-hearing individuals may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.