

Rebuilding after the flood

MEANS OF RECOVERY AVAILABLE

Small Business Administration Disaster Loans – Not Just for Small Businesses

The U.S. Small Business Administration (SBA) is the federal government's primary source of money for the long-term rebuilding of disaster-damaged private property. The SBA provides low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters. SBA disaster loans can be used to repair or replace the following items damaged or destroyed in a declared disaster: real estate, personal property, machinery and equipment, and inventory and business assets. These disaster loans cover losses not fully compensated by insurance or other recoveries and do not duplicate benefits of other agencies or organizations.

Information applicants should know:

- ◆ Filling out the SBA loan application is a necessary step for homeowners and renters to be considered for various forms of disaster assistance.
- ◆ If the SBA is unable to approve a loan, the applicant may be referred back to FEMA for some other types of disaster aid, such as assistance to repair or replace destroyed personal items, like clothing and vehicles.
- ◆ Homeowners may borrow up to \$200,000 to repair/replace primary residences if not fully compensated by insurance or some other source.
- ◆ Homeowners and renters may borrow up to \$40,000 to repair/replace personal property.
- ◆ Businesses may borrow up to \$2 million for any combination of property damage or economic injury.
- ◆ Some small businesses and most private nonprofit organizations may also utilize Economic Injury Loans to meet financial obligations after the severe storms and flooding; but in order to do so, they must be located within the declared disaster area or next door to those areas.
- ◆ The term of a low-interest disaster loan can be up to 30 years.
- ◆ Interest on a home loan should be tax deductible.

The SBA has six business recovery centers open, one in Livingston Parish, one in Tangipahoa Parish, one in Ascension Parish, two in East Baton Rouge Parish and one in Lafayette Parish to assist with uninsured and underinsured flood-related losses. The SBA received 2,841 applications and approved \$14 million in disaster loans.

<https://www.sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/disaster-loans/louisiana-flooding-disaster-assistance>

We are here to help. If you have questions about how this may affect you, contact your Hannis T. Bourgeois advisor for assistance.