

# 3 STEPS TO SBA DISASTER ASSISTANCE

Helping Businesses

**RECOVER,  
PLAN, GROW  
& SUCCEED**



**SAN MATEO**

**#smsbdc**



**SAN FRANCISCO**



# Office of the Small Business Advocate

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# California Office of the Small Business Advocate (CalOSBA)

**CalOSBA Main:** [calosba.ca.gov](https://calosba.ca.gov)

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**Local Small Business Centers:** [business.ca.gov/centers](https://business.ca.gov/centers)

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**Inclusive Innovation Hubs:**  
[funding-grants-incentives/ihub2/](https://business.ca.gov/funding-grants-incentives/ihub2/)

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**Outsmart Disaster:** [outsmartdisaster.calosba.ca.gov/](https://outsmartdisaster.calosba.ca.gov/)

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**Newsletter Signup:** [newsletter-signup/](https://business.ca.gov/newsletter-signup/)

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**GO-Biz Main :** [business.ca.gov](https://business.ca.gov)

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U.S. Small Business  
Administration

# DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits



# 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).**

# The Disaster Loan Process

## Three Steps to SBA Disaster Assistance Loans



### 1: Apply



Begin by first registering with FEMA at [disasterassistance.gov](https://disasterassistance.gov) or by calling **(800) 621-FEMA (3362)**.

Then apply at [disasterloanassistance.sba.gov](https://disasterloanassistance.sba.gov), in person at any local disaster center, or by calling our Customer Service Center at (800) 659-2955 to request an application by mail. If you are deaf, hard of hearing, or have a speech disability, please dial **7-1-1** to access telecommunications relay services.

There is no need to wait for insurance claims to settle or to receive FEMA grants or contractor estimates before applying. You are under no obligation to accept the loan if approved.

Registration with FEMA is recommended but not required for business applicants. Businesses located in the contiguous counties listed in the declaration cannot register with FEMA.

# The Disaster Loan Process

## Three Steps to SBA Disaster Assistance Loans



## 2: Application Processed



Application packages and required documents (including credit and income information) will be reviewed for completeness. Eligible applications are sent to SBA's loss verification team and property inspections may be necessary to decide the total physical damage.

A loan officer takes over your case to work with you to receive any additional information, review insurance or other recoveries, and recommend a loan amount.

We strive to make loan determinations within 2–3 weeks after receiving complete application packages.

# 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.



# The Disaster Loan Process

## Three Steps to SBA Disaster Assistance Loans



### 3: Loan Closure & Disbursement



Loan closing documents are prepared for your signature. After receipt of the signed documents, an initial disbursement, up to the following amounts, will be made within 5 business days: up to \$25,000 for physical damage; up to \$25,000 for economic injury (working capital), which can be in addition to the physical damage disbursement for eligible businesses.

A case manager will work with you to answer questions and help you meet all loan conditions. The case manager schedules the disbursement of any remaining loan amount.

Loan may be increased up to 20% after closing due to changing circumstances, such as unexpected repair costs or if you receive additional insurance proceeds for the same purposes.

# 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)

# California Declaration #17757

Interest Rates are as low as:

3.305% for businesses

2.375% for nonprofit organizations , and

2.313% for homeowners and renters, wit terms up to 30 years

The first payment will be due 12 months from the date of initial disbursement

- The interest rate during the initial deferment period is zero percent (0%) for 12 months from the date of initial disbursement.
- The loan maturity date will continue to be based on the Note Date.

## Additional Features

- No cost to apply
- No closing costs
- No prepayment penalty
- Funds available even if insurance has not settled
- Modifications can be requested
- No obligation to accept the loan if approved



# 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).

# Application Filing Deadline

- Filing Deadline for Physical Damage:

- **60 days** from the declaration date.

CA Application Filing Deadlines:

Physical Damage: March 16, 2023

- Filing Deadline for Economic Injury:

- **9 months** from the declaration date.

Economic Injury: October 16, 2023

In Presidential Declarations, FEMA may extend the filing deadline for all Federal programs, including SBA.

# Apply Online at the SBA Disaster Loan Assistance Portal

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



U.S. Small Business  
Administration

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[Loan Information](#) [Search Declarations](#) [Apply Online](#)

## 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

# Disaster Loans Help with Resilient Recovery Plans

Business and Home Loans can provide additional funds to help build back better / more resilient

- Before disaster strikes, many property owners may not be aware of all their risks. After disaster strikes, there is a heightened awareness, prompting them to take steps in recovery to mitigate against future damages from a similar event.
- SBA can increase loans to cover added costs for new building codes/required upgrades; mitigation improvements (up to 20% of the verified loss) against future damages or to increase the safety of property; and, to utilize modern and more resilient construction methods.



# 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 gutters, fences and gates
- 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
- Construction of a Safe Room
- Upgrade to pressure-rated windows



### Earthquake Mitigation

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

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloanassistance.sba.gov/>. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) for more information on SBA disaster assistance. For people who 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 761

# Questions



# **SBA Office of Disaster Recovery and Resilience Contacts**

For More Information about SBA disaster assistance  
programs, go to:  
[www.sba.gov/disaster](http://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](mailto:disastercustomerservice@sba.gov)