



U.S. Small Business  
Administration

# DISASTER ASSISTANCE

Businesses ■ Homeowners ■ Renters ■ Nonprofits

# SBA Disaster Assistance Loans

Each year, the SBA provides billions of dollars in affordable **disaster loans** to help homeowners, renters, businesses and nonprofits recover from declared disasters. Loans may help disaster survivors to repair or replace disaster losses not fully covered by insurance or other recoveries.



**Real  
Estate**



**Personal  
Property**



**Economic  
Injury**



**Machinery &  
Equipment**



**Inventory**



**Active-Duty  
Military**

# Types of SBA Disaster Loans and Limits

Types of Loans	Borrowers	Purpose	Max. Amount
<b>Business Loans</b>	Businesses and private nonprofits	Repair or replace real estate, inventory, equipment, etc.	\$2 million *
<b>Economic Injury Loans</b>	Small businesses and private nonprofits	Working capital loans	\$2 million *
<b>Home Loans</b>	Homeowners	Repair or replace <b>primary residence</b>	\$200,000
<b>Home Loans</b>	Homeowners and renters	Repair or replace <b>personal property</b>	\$40,000
<b>Mitigation</b>	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).

\*Interest rates are set each quarter and are fixed.

# SBA Disaster Assistance Loans

SBA has several powerful tools to make disaster loans affordable and flexible:

- Low Interest Rates
- Long Terms (15 or 30 years)
- Possible Refinancing of Existing Mortgages (maximum of \$200,000)
- Relocation
- Mitigation
- Contractor Malfeasance (maximum of \$200,000)
- Insurance Deductibles

# Interest Rates

- Interest rates are fixed for the term of the loan.
- Most SBA disaster loans approved at No Credit Elsewhere rate.

---

	Home	Business	EIDL	Nonprofit
No Credit Available Elsewhere	<b>1.438 %</b>	<b>2.830 %</b>	<b>2.830%</b>	<b>1.875 %</b>
Credit Available Elsewhere	<b>2.875 %</b>	<b>5.660%</b>	<b>N/A</b>	<b>1.875 %</b>

---

The above interest rates apply to SBA Declaration #17299/17300 (CO-00136)  
Colorado Wildfires and Straight-line Winds

# Loan and Insurance Requirements

## Loan Approval Criteria



### 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.

## Obtain & Maintain Insurance



### Hazard Insurance

- Is required on all secured loans.



### Flood insurance

- Is required **BY LAW** for properties located in a Special Flood Hazard Area (SFHA) and **BY POLICY** for properties damaged in a flood disaster.

# The Application Process



Register with FEMA at [DisasterAssistance.gov](https://DisasterAssistance.gov)

Apply directly to SBA at [disasterloanassistance.sba.gov](https://disasterloanassistance.sba.gov)

Filing Deadline for Physical Damage: 60 days from the declaration date.

Filing Deadline for Economic Injury: 9 months from the declaration date.

SBA will contact applicant to verify damage and schedule a site visit if necessary.

SBA will process application to a decision. Could take up to 2-3 weeks, depending on activity. However, could increase with activity. We recommend to apply early.

If approved, loan documents are forwarded to borrower.

The applicant is advised of appeal rights, if declined.

An initial disbursement is generally made within 5 days after the applicant signs and returns the required loan closing documents.

- Up to \$25,000 for physical damages
- Up to \$25,000 for economic injury (working capital)

Subsequent disbursements are generally made in installments to match the pace of construction.

# Reacceptance, Reconsideration and Appeal Deadlines

## Withdrawals

- Applicants have **6 months** from the date of withdrawal to request a **reacceptance** if loan application was withdrawn. SBA withdraws applications from active loan processing either at the request of the applicant or if we are unable to obtain information or documentation required to make a credit decision.

## Declines

- Applicants have **6 months** from the date of an initial loan decline to request a **reconsideration** of the decline decision.
- Applicants declined a second time can appeal the decision and must send an **appeal** within **30 days** of the second decline.



# Loan Closing Deadlines

- In General, borrowers have **60 calendar days** from the date of the **Loan Authorization and Agreement (LAA)** to sign and return all documents and satisfy all requirements needed for an initial disbursement.
- SBA will typically send reminders within **30 days** if the borrower does not sign and return the loan closing documents and requirements.
- SBA will notify borrowers within **14 days** of deadline and will cancel loan if requirement not met.
- The borrower may submit and SBA may, in its sole discretion, accept documents after **60 days** from the date of the LAA.
- If loan closing documents not returned and loan is canceled, borrower may request **reinstatement** within **6 months** from date of cancellation.

# Disbursement Period and Extensions

- In general, borrowers are required to arrange for disbursement of all funds within **6 months** from the date of the LAA.
- On a case-by-case basis, SBA may approve an **extension** to permit disbursement more than **6 months** after the date of the LAA.
- If the borrower is unable to arrange for full disbursement, SBA may cancel the full or undisbursed portion of the loan.
- The borrower may request **reinstatement** of canceled loan funds within **6 months** from date of cancellation.

# Loan Repayment

- The initial payment is due 18 months from the date of the Note.
- Interest accrues on the disbursed funds only and accrues through the initial payment deferment.
- Borrowers are encouraged to set up a **MySBA Loan Portal** account at <https://lending.sba.gov> to view loan details, including principal and interest breakdowns, make payments, and access statements.
- If you already set up a CAFS account to manage your disaster loan, the log-in credentials are the same.
- For help with the portal, please contact MySBA Loan Portal Customer Service at [cls@sba.gov](mailto:cls@sba.gov) or call 1-833-572-0502.

# Duplication of Benefits

- Borrowers are required to notify SBA if they receive additional recoveries for their loss from other sources including other federal, state, or non-profit sources for rebuilding.
- SBA has an agreement in place with the Colorado Department of Local Affairs (DOLA) to share disaster loan applicant data in order to identify/prevent duplication of benefits. This helps to avoid situations where borrowers may receive an over disbursement and have to repay funds to SBA.

**Stafford Act Definition:** A **Duplication of Benefit** (DOB) occurs when a household receives financial assistance from multiple sources for the same purpose is more than the total need for assistance.

# Duplication of Benefits

## Specific to Colorado's Housing Recovery Program

Grants are treated differently from loans...

### Grants (forgivable)

- The SBA loan does ***not*** reduce your eligible grant amount.
- The grant ***may*** reduce your SBA loan if your need falls below your loan amount.

### Loans

- < 150% of AMI; the HRP loan ***may*** reduce your SBA loan
- > 150% of AMI; ***not*** eligible for the loan if you already have an approved active loan with the SBA (This is a policy decision based on limited funds).

Please visit the Colorado DOLA Housing Recovery Program website at <https://cdola.colorado.gov/housing-recovery-program> for more information.

# General SBA Disaster Loan Questions

Contact SBA's

Customer Service Center at:

1-800-659-2955 / relay services 7-1-1

[disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

# Questions

