



Release Date: December 5, 2022
Release Number: 22-96

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U.S. Small Business Administration to Offer Disaster Loans with No Interest and No Payments for First Year

WASHINGTON – Today, [Administrator Isabella Casillas Guzman](#), head of the [U.S. Small Business Administration \(SBA\)](#) and the voice in President Biden’s Cabinet for America’s 33 million small businesses, announced the Agency will waive the interest rate for the first year on new disaster loans and extend the initial payment deferral period automatically to 12 months.

“We must ensure that communities struck by disaster have the help they need to recover in the wake of natural disasters, and the Biden-Harris Administration is 100 percent focused on finding more ways to assist,” said Administrator Isabella Casillas Guzman. “Our zero-interest disaster loan and payment deferral solutions add new tools to our toolbox to help small business owners gain flexibility as they work to invest, reopen, and get back to business. Disaster-impacted residents in Florida, Puerto Rico, and others facing disaster can count on the SBA to help in any way it can in the days and months ahead.”

New disaster loan borrowers will now have up to one year from the date of the note to begin making payments, instead of the standard five months. Interest on the loan will not begin to accrue until 12 months from the date of the initial loan disbursement. Previously, interest begins to accrue on all disbursed loan funds including during the initial payment deferral period. Today’s announcement will benefit disaster survivors and help them to decrease the overall cost of recovery by setting the interest rate to 0% for the first 12 months and reducing the overall amount of accrued interest they must repay.

SBA disaster loans offer individuals and businesses direct access to affordable financial assistance to help fully repair or replace disaster-damaged property. By offering affordable loans with no interest and no payments for the first year, and low fixed-interest rates for the remaining 30-year term, SBA is maximizing disaster survivors’ likelihood of a successful recovery and minimizing further financial hardship.

The extended deferral to 12 months is automatic and loan borrowers do not need to take any additional action. There is no prepayment penalty and borrowers can begin making loan payments during the deferral period if they choose.

The change is effective for all disaster loans approved in response to a disaster declared on or after September 21, 2022, through September 30, 2023. The effective date covers SBA disaster loans currently available for Hurricane Fiona and Hurricane Ian declared earlier this year. SBA

does not have the authority to forgive interest that has already accrued on disbursed loan funds.

Borrowers who already received a loan for a disaster declared after the September 21 effective date will also receive an automatic extension of their first payment due date to 12 months and 0% interest. SBA will notify eligible borrowers of their loan modification and they will not need to submit a request to receive this automatic benefit.

As of December 5, 2022, SBA has approved \$1.2 billion for residents and businesses impacted by Hurricanes Fiona and Ian.

About SBA Disaster Loans

Businesses and private nonprofit organizations of any size may borrow up to \$2 million to repair or replace disaster-damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. For small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private nonprofit organizations, the SBA offers [Economic Injury Disaster Loans \(EIDLs\)](#) to help meet working capital needs caused by the disaster. Economic Injury Disaster Loan assistance is available regardless of whether the business suffered any physical property damage.

Disaster loans up to \$200,000 are available to homeowners to repair or replace disaster-damaged or destroyed real estate. Homeowners and renters are eligible for up to \$40,000 to repair or replace disaster-damaged or destroyed personal property.

Interest rates are **zero percent** for the first year and are as low as **3.04** percent for businesses, **1.875** for nonprofit organizations, and **2.188** percent for homeowners and renters, after the first year with terms up to 30 years. The initial payment is deferred automatically for 12 months from the date of the Note. Loan amounts and terms are set by the SBA and are based on each applicant's financial condition.

Building back smarter and stronger can be an effective recovery tool for future disasters, and President Biden has made climate preparedness and adaptation a priority for his Administration. SBA encourages applicants to consider mitigation measures that may reduce future disaster damages. Applicants may be eligible for a loan increase up to 20 percent of their verified physical damages for mitigation purposes. Eligible mitigation improvements may include a safe room or storm shelter, sump pump, elevation, retaining walls, and landscaping to help protect property and occupants from future damage caused by a similar disaster.

SBA reviews disaster loan applicants for eligibility, satisfactory credit, and repayment ability when determining if they qualify for assistance. Applicants must have satisfactory credit, acceptable to SBA, and can afford the additional debt burden from a new disaster loan to be approved. SBA's criteria for acceptable credit is more flexible than traditional lenders, banks, credit unions, and other financial institutions.

How to apply

To be considered for all forms of disaster assistance, applicants should register online at DisasterAssistance.gov or download the FEMA mobile app. If online or mobile access is unavailable, applicants should call the FEMA toll-free helpline at 800-621-3362. Those who use 711-Relay or Video Relay Services should call 800-621-3362.

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

Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (if you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services) or by sending an email to DisasterCustomerService@sba.gov. Loan applications can be downloaded from the SBA's website at sba.gov/disaster. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

About the U.S. Small Business Administration

The U.S. Small Business Administration helps power the American dream of business ownership. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow, expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.



U.S. Small Business
Administration

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

FLORIDA Declaration 17644 & 17645

(Disaster: FL-00178)

Incident: HURRICANE IAN

occurring: September 23, 2022 through November 4, 2022

in the Florida counties of: **Brevard, Charlotte, Collier, DeSoto, Flagler, Glades, Hardee, Hendry, Highlands, Hillsborough, Lake, Lee, Manatee, Monroe, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Saint Johns, Sarasota, Seminole, and Volusia**; and for economic injury only in the contiguous Florida counties of: **Alachua, Bradford, Broward, Clay, Duval, Hernando, Indian River, Marion, Martin, Miami-Dade, Saint Lucie and Sumter**

Application Filing Deadlines:

Physical Damage: January 12, 2023 Economic Injury: June 29, 2023

If you are located in a declared disaster area, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

What Types of Disaster Loans are Available?

- 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.
- Home Disaster Loans – Loans to homeowners or renters to repair or replace disaster-damaged real estate and personal property, including automobiles.

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 \$25,000 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:

Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Home Loans	2.188%	4.375%
Business Loans	3.040%	6.080%
Non-Profit Organizations	1.875%	1.875%

Economic Injury Loans

Loan Types	No Credit Available Elsewhere	Credit Available Elsewhere
Businesses & Small Agricultural Cooperatives	3.040%	N/A
Non-Profit Organizations	1.875%	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?

- **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. 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.
- **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.
- **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.

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 may not be eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA loans.

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.

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 damage to real property, including leasehold improvements, and personal property 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 or 50% or more of the value of the structure), and (3) intends to repair the damage.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, up to the amount of the loan for real estate repair or replacement.

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. 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.

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.

Current as of 12-8-22 – 10:25 a.m.

FL 17644 Business Recovery Center Locations

Survivors can get assistance at *any* SBA Business Recovery Center (BRC); they do not have to go to the BRC where their property is located. BRCs are especially for business owners, but staff will assist *anyone* with their disaster loan application.

NOTE: SBA staff are also serving survivors at FEMA Disaster Recovery Centers (DRCs). To find the nearest DRC, survivors should use the FEMA Disaster Recovery Center Locator: <https://egateway.fema.gov/ESF6/DRCLocator>

All SBA BRCs will operate as indicated below until further notice (addresses are linked to Google Maps):

Collier County

Naples – The Naples Players, [701 5th Avenue South](#), Naples, FL 34102; hours: Monday to Friday, 9 a.m.- 4 p.m.; Closed Saturday, Dec. 10 and 17, and all Sundays.

Hillsborough County

Tampa – Chloe Coney Urban Enterprise Center, [1907 E. Hillsborough Ave.](#), Tampa, FL 33610; hours: Monday to Saturday, 9 a.m. to 5 p.m.

Lee County

Bonita Springs – The Hub at SWFL, Inc, [25071 Chamber of Commerce Dr.](#), Bonita Springs, FL 34135; hours: Monday to Saturday, 9 a.m. to 5 p.m.

Cape Coral – Kiwanis Club of Cape Coral, [360 Santa Barbara Blvd. S.](#), Cape Coral, FL 33991; hours: Monday to Thursday, 8 am. to 6 p.m.; closed Friday, Saturday and Sunday.

Sarasota County

Venice – Venice Community Center, [326 Nokomis Ave. South](#), Room E, Venice, FL 34285; hours: Monday to Saturday, 9 a.m. to 6 p.m.

Seminole County

Sanford – Sanford Information Center, [230 E. First St.](#), Sanford, FL 32771; hours: Monday to Saturday, 9 a.m. to 6 p.m.