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Fact Sheet

Commonly Asked Questions about SBA Low-interest Disaster Loans

ORLANDO, Fla. After a major disaster was declared in Florida Sept. 10, 2017 for Hurricane Irma, residents in 48 declared counties became eligible for assistance from the Federal Emergency Management Agency (FEMA). Some owners and renters also became eligible to apply for low-interest loans from the U.S. Small Business Administration (SBA). Here are answers to commonly asked questions about SBA loans and their connection to FEMA disaster assistance.

Q: After registering with FEMA, I received a letter from the U.S. Small Business Administration (SBA) suggesting I apply for an SBA low-interest disaster loan. Should I apply?

A: Yes. Don't hesitate. After insurance, the SBA is the survivor's primary source of money for the long-term rebuilding of disaster-damaged private property. If the SBA determines you qualify for a low-interest loan, you don't have to accept it. However, if you do qualify and don't accept a loan, you will forego being referred to FEMA for additional programs. Please note: you can apply for an SBA low-interest disaster loan before an insurance claim is settled.

Q: What alternatives exist if I apply for an SBA low-interest loan and don't qualify?

A: If SBA determines you cannot afford a loan, SBA will automatically refer you to FEMA's Other Needs Assistance (ONA), a safety-net program intended to help meet needs not met by other forms of assistance. Please note that if you do not complete the SBA loan application you cannot be referred to FEMA's ONA program, which may cover car repairs, clothing, or household items and other serious disaster related expenses.

Q: How much can I borrow?

A: The amount SBA will lend depends on the cost of repairing or replacing your home and personal property, minus any insurance settlements or grants. SBA may send an inspector to estimate the cost of your damage once you have submitted your SBA loan application. Renters and homeowners alike may borrow up to \$40,000 to repair or replace personal property. Homeowners may apply for up to \$200,000 to repair or replace their disaster damaged residence. SBA can also lend additional funds up to 20 percent of the verified losses to help make improvement to the property (both real and contents) that protect, prevent or minimize the same type of disaster damage from occurring in the future (mitigation).

Q: What is the interest rate and how long do I have to pay off this loan?

A: The interest rate on these loans is determined by law. SBA assigns an interest rate to a loan based on the resources available to an applicant. The lower interest rate will not exceed 4 percent and the interest rate associated with current market rate will not exceed 8 percent. The rates are fixed for the term of the loan.

Q: Do I have to be turned down by my bank before I can apply for an SBA low-interest disaster loan?

A: No. The SBA has its own criteria for determining each loan applicant's eligibility.

For more recovery information, visit www.FEMA.gov/IrmaFL, or follow us [@FEMARegion4](https://twitter.com/FEMARegion4) on [Twitter](#) and on [FEMA's Facebook page](#).

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FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.

Disaster recovery assistance is available without regard to race, color, religion, nationality, sex, age, disability, English proficiency or economic status. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY call 800-462-7585.

FEMA's temporary housing assistance and grants for public transportation expenses, medical and dental expenses, and funeral and burial expenses do not require individuals to apply for an SBA loan. However, applicants who receive SBA loan applications must submit them to SBA to be eligible for assistance that covers personal property, vehicle repair or replacement, and moving and storage expenses. Next to insurance, the U.S. Small Business Administration (SBA) low-interest disaster loans are the survivor's primary source of funding for disaster recovery. For more information about SBA's low-interest disaster loans, visit www.sba.gov/disaster.

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