

# Returning SBA Applications

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**LANSING, Mich.** – Survivors of the August 24-26, 2023, severe storms, tornadoes and flooding in Eaton, Ingham, Ionia, Kent, Livingston, Macomb, Monroe, Oakland and Wayne counties who apply for FEMA assistance may be referred to the U.S. Small Business Administration.

If you are asked to submit an SBA disaster loan application, there are benefits to filling it out and sending it in right away. You are not obligated to accept the SBA loan if approved, but failure to return the application may disqualify you from other possible FEMA grants to pay for disaster-related expenses such as car repairs or replacement, essential household items and other costs.

SBA programs can help homeowners and renters, as well as large and small businesses and certain nonprofit agencies. Homeowners may be eligible for up to \$500,000 in low-interest disaster loans to repair or replace their home. Renters and homeowners who lost personal possessions in the disaster may be eligible to borrow up to \$100,000 to replace necessary items such as clothing, furniture or a vehicle.

Business owners affected by the August storms who are in need of assistance also may be eligible for loans.

SBA offers loans that fits personal budgets. For applicants unable to obtain credit elsewhere, the interest rates are 2.5% for home loans, 4% for business loans and 2.375% for nonprofits. The first payment will not be due for up to 12 months and no interest will be charged for those 12 months. You may have up to 30 years to repay the loan; there is no pre-payment penalty or fees.

If you already have a mortgage on damaged property, SBA specialists may help with a low-interest loan you can afford. In some cases, SBA may refinance all or part of an existing mortgage.

By submitting your SBA loan application, you keep the full range of disaster assistance available as an option. If SBA does not approve a loan for you – or



**FEMA**

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approves a small loan that doesn't cover all your needs – you may be referred to other programs for grants to replace essential household items or replace or repair a damaged vehicle, among other serious disaster-related needs. But if you do not submit the loan application from SBA, the assistance process may stop.

SBA disaster loans are the largest source of federal disaster-recovery funds for survivors. SBA disaster loans cover losses not fully compensated by insurance, FEMA grants or other resources. Survivors should not wait for an insurance settlement before submitting an SBA loan application. They may discover they were underinsured for the deductible or labor and materials required to repair or replace their home.

Eligible SBA disaster loan applicants may choose to receive expanded funding to help mitigate their home or business against future disasters. SBA disaster loans can be increased up to 20% to make building upgrades.

Whether you're recovering from a declared disaster or planning on how to protect your home and family, business, and employees, mitigation assistance not only helps you rebuild and get back to business, but the money can also be used to make property improvements that eliminate future damage or save lives.

SBA approval of mitigating measures is required before any loan increase can be made. There is no cost to apply.

Even simple things can strengthen your home or business today to avoid damage and unplanned costs in the future.

For more information about the disaster recovery operation in Michigan, visit [www.fema.gov/disaster/4757](http://www.fema.gov/disaster/4757).

