

Submitting an SBA Loan Application Could Bring More FEMA Grant Assistance

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LITTLE ROCK, Ark. – The U.S. Small Business Administration (SBA) loan application holds many benefits for Arkansans who apply for federal assistance due to the recent severe storms and tornadoes. An applicant who is referred to the SBA, during the initial FEMA application process, is expected to complete an SBA loan application. Submitting a loan application keeps the full range of disaster assistance available as an option.

SBA low-interest disaster loans are meant for more than just businesses. Disaster loans are also available to homeowners and renters.

SBA Referral Letters

Some applicants may be referred to SBA after applying with FEMA. If you were referred by FEMA to SBA you need to apply. You are not obligated to take out a loan, but you need to complete the application to continue the federal disaster assistance process. By completing the application, you may become eligible for additional grant assistance from FEMA if you do not qualify for the SBA loan. If you have insurance coverage you do not need to wait for your insurance to settle before applying for SBA Disaster Loan Assistance. If you received a referral to the SBA, it's important to complete the application and submit it to the SBA by June 1, 2023, for physical disaster loan assistance.

Why You Should Complete the SBA Application

The federal funding process stops at this point for those who choose not to apply. If you apply and are not eligible for a low-interest disaster loan, this may open the door to an additional grant from FEMA. If SBA does not approve a loan – or



FEMA

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approves a small loan that doesn't cover all of your needs – you may be eligible for additional FEMA grant assistance to replace essential household items, replace or repair a damaged vehicle or meet other disaster-related needs.

There are important reasons to complete and submit the application to the SBA, even if you think you don't currently need a loan.

- You may discover in the next few weeks that you were underinsured for the amount of work required to repair or replace your home. An SBA low-interest disaster loan may cover some or all of the difference. In other words, the SBA may bridge the gap between your recovery costs and the settlement amount.
- SBA offers loans for homeowners up to the \$200,000 statutory maximum to repair or replace your primary residence. The loans are customized to your personal financial circumstances. On a case-by-case basis, the SBA may be able to assist with the refinance of your current mortgage(s).
- SBA can also help renters and homeowners replace household contents and vehicles, referred to as personal property. You may be able to borrow up to the \$40,000 statutory maximum to repair or replace clothing, furniture or appliances that were damaged or destroyed in the disaster.

For businesses and private nonprofit organizations, there are loans available for:

- Businesses of any size and private nonprofit organizations – up to the \$2 million statutory maximum to repair or replace real estate, machinery and equipment, inventory and other assets that were damaged or destroyed.
- Small businesses, those engaged in aquaculture and most private nonprofit organizations – up to the \$2 million statutory maximum for working capital needs, even if they had no property damage, with a \$2 million maximum loan for any combination of property damage and working capital needs.
- Economic Injury – only for small businesses and most private non-profit organizations suffering adverse financial impacts of the disaster (with or without property loss), up to the \$2 million statutory maximum for working capital to help pay obligations until normal operations resume.
- Applications for physical damage to businesses must be submitted by June 1, 2023. Businesses with economic injury have until January 2, 2024, to complete and submit their applications.



SBA has established a Business Recovery Center in Pulaski County. The Center is located at:

PULASKI COUNTY

Little Rock Business Recovery Center

Adolphine Fletcher Terry Library

2015 Napa Valley Dr

Little Rock, AR 72212

Mondays - Fridays, 9 a.m. - 6 p.m.

Saturdays, 9 a.m. – 4 p.m.

You can contact an SBA customer service representative via email at disastercustomerassistance@sba.gov or by phone at 800-659-2955. SBA will answer specific questions about how a disaster loan may help Arkansans with their disaster recovery and will provide one-on-one assistance in completing applications for these loans. You can apply online at <https://disasterloanassistance.sba.gov>

For the latest information visit fema.gov/disaster/4698. Follow the FEMA Region 6 Twitter account at twitter.com/FEMARegion6 or on Facebook at facebook.com/FEMARegion6/.

