

# Key Reasons to Fill Out Your SBA Application

---

**Release Date: Aug 20, 2024**

After you apply for FEMA assistance, don't wait to apply for a loan from the U.S. Small Business Administration too.

You aren't required to apply for an SBA loan to be considered for FEMA grants, but you could miss out on SBA's help with disaster-related expenses that FEMA assistance doesn't cover.

**SBA programs can help homeowners and renters, as well as large and small businesses (including apartment owners) and nonprofit organizations.**

Homeowners may be eligible for up to \$500,000 in low-interest loans to repair or replace their home. Renters and homeowners who lost personal goods in the disaster may be eligible to borrow up to \$100,000 to replace the things they need like clothing or furniture – even a vehicle.

If you are a business owner in one of [Minnesota's designated counties](#) who was affected by the June 16 – July 4 storms and flooding and are in need of assistance following the disaster, there is a good chance the SBA can help, but you must apply first.

**Low-interest disaster rates are available.**

SBA can offer a loan that fits your personal budget. Interest rates are as low as 2.688% for homeowners and renters, 4.0% for businesses and 3.25% for nonprofit organizations. Your first payment will not be due for 12 months, and no interest will accrue during that 12-month period. There is no cost to apply, no points and no origination fees. You may have up to 30 years to pay, and there is no pre-payment penalty if you pay the loan off early.

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



**FEMA**

Page 1 of 2

part of an existing mortgage.

## **SBA is the largest source of recovery funds.**

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.

## **Funds to reduce future disaster risks may be available.**

Eligible SBA disaster loan borrowers may choose to receive expanded funding for mitigation measures to strengthen their home or business against future disasters. SBA disaster loans can be increased up to 20% to make mitigation upgrades.

Whether you're recovering from a declared disaster or planning ahead and thinking about 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 reduce or 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, and you are under no obligation to accept a loan if approved.

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

Learn more about SBA disaster assistance at [www.sba.gov/funding-programs/disaster-assistance](http://www.sba.gov/funding-programs/disaster-assistance). Visit [www.fema.gov/disaster/4797](http://www.fema.gov/disaster/4797) for more information about the disaster recovery in Minnesota.

