

## DISASTER RELIEF FOR INDIVIDUALS AND HOUSEHOLDS

### Small Business Administration Loans

The U.S. Small Business Administration (“SBA”) provides long-term, low-interest loans to both renters and homeowners affected by the recent severe storms and tornadoes disaster in Alabama. **The deadline to apply for a loan is June 27, 2011.**

#### Renters

Renters may borrow up to \$40,000 to repair or replace personal property damaged or destroyed in the disaster.

#### Homeowners

Homeowners may borrow up to \$40,000 to repair or replace personal property and \$200,000 to repair or rebuild a primary residence damaged in the disaster. These loans may not be used to upgrade or make additions to homes. Terms of repayment are determined on a case-by-case basis but cannot exceed 30 years. Loans in excess of \$14,000 require the pledging of collateral to the extent it is available, but SBA will not automatically deny a loan application for lack of collateral.

Interest rates can be as low as 2.563 percent for those applicants who do not have “credit available elsewhere.” SBA loans may be used to relocate, but if the applicant intends to repair the home, the SBA can refinance an existing mortgage in some cases.

#### Application Process

1. If you are insured, file a claim immediately. **However, you do not have to wait for your insurance settlement to apply for an SBA loan.**
2. Register with FEMA by applying online at [www.fema.gov](http://www.fema.gov) or calling 1-800-621-FEMA.
3. Apply for a SBA loan at [www.sba.gov](http://www.sba.gov).
4. Have the following information ready when you apply: Social Security Number, deed or lease information, registration for any damaged vehicle, insurance information, a copy of your most recent federal income tax return, a current pay stub, current bank statements and other investment records, creditors’ names (for mortgages, credit cards, vehicle loans, etc.), monthly payment information and balances owed
5. The SBA will look at your credit history and will consider your ability to repay in determining whether to make a loan.

#### Restrictions on Eligibility

1. Insured or compensated losses are not eligible. However, if you receive insurance proceeds that are required to be applied to your outstanding mortgage debt, these proceeds will not reduce your loan eligibility.
2. Only primary homes are eligible—not vacation homes, pleasure boats, recreational vehicles, etc.