



DISASTER NEWS

Economic Injury Loans for Small Businesses

SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

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Contact: Michael Lampton
Phone: 404-331-0333

SBA Disaster Loans Available in Maine Following Secretary of Agriculture Disaster Declaration

ATLANTA - The U.S. Small Business Administration announces today that federal economic injury disaster loans are available to small businesses, small agricultural cooperatives and most private non-profit organizations of all sizes located in Aroostook, Knox, Hancock, Penobscot, Piscataquis, Somerset, Waldo and Washington counties in Maine as result of heavy rains and subsequent drought that occurred from June 9 through Aug. 30, 2009.

“When the Secretary of Agriculture issues a disaster declaration to help farmers recover from damages and losses to crops, the Small Business Administration issues a declaration to eligible entities affected by the same disaster,” according to Frank Skaggs, director of SBA’s Field Operations Center East.

Under this declaration, the SBA’s Economic Injury Disaster Loan (EIDL) program is available to eligible farm-related and nonfarm-related entities that suffered financial losses as a direct result of this disaster. The Economic Injury Disaster Loan is to help meet working capital needs caused by the disaster. Farmers and ranchers are not eligible to apply to SBA, but nurseries are eligible to apply for economic injury disaster loans for losses caused by drought conditions.

Loans are available up to \$2 million for eligible entities that suffered substantial economic injury from the disaster. These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. These loans are not intended to replace lost sales or profits.

These loans are available at a 4 percent interest rate with loan terms up to 30 years. The SBA determines eligibility based on the size of the applicant, type of activity and its financial resources. Loan amounts and terms are set by the SBA and are based on each applicant’s financial condition. Under this disaster declaration, the SBA cannot provide loans to agricultural producers.

Disaster loan information and application forms may be obtained by calling the SBA’s Customer Service Center at 800-659-2955 (800-877-8339 for the hearing-impaired) Monday through Friday from 8 a.m. to 6 p.m. EST or by sending an e-mail to disastercustomerservice@sba.gov. Loan applications can be downloaded from the SBA’s Web site at www.sba.gov/services/disasterassistance. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Those affected by the disaster may apply for disaster loans from SBA’s secure Web site at <https://disasterloan.sba.gov/ela/>.

Completed loan applications must be returned to SBA no later than September 7, 2010.

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For more information about the SBA's Disaster Loan Programs, visit our Web site at www.sba.gov/services/disasterassistance.