



DISASTER NEWS

Economic Injury Loans for Small Businesses

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Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in the California counties of **Mendocino** and **Sonoma** and the neighboring counties of **Glenn, Humboldt, Lake, Marin, Napa, Solano, Tehama** and **Trinity** are eligible to apply for low-interest disaster loans from the U. S. Small Business Administration (SBA). These loans offset economic losses because of reduced revenues caused by extremely low temperatures, freezing conditions and drought in **Mendocino** and **Sonoma** Counties that occurred December 28, 2006 through February 7, 2007, announced Alfred E. Judd, Director of SBA's Disaster Field Operations Center - West.

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. "Eligibility for these working capital loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4%, a maximum term of 30 years, and are restricted to small businesses without the financial ability to offset the adverse impact without hardship," Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Mike Johanns declared this disaster at the request of Governor Arnold Schwarzenegger.

This declaration follows SBA's January 24 disaster declaration of 40 California counties due to the freeze. So far, SBA has approved nearly \$8.5 million in low-interest disaster loans to California small businesses who were financially impacted by the freeze.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary's declaration. However, in drought disasters nurseries are eligible for SBA disaster assistance.

For information and application forms, call toll-free **(800) 659-2955**, or visit SBA's website at www.sba.gov/services/disasterassistance. Hearing impaired individuals may call (800) 877-8339.

The deadline to apply for these loans is **November 21, 2007**.

For more information visit SBA's website at www.sba.gov/services/disasterassistance.

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