



DISASTER NEWS

Disaster Loans for Homeowners, Renters & Businesses of All Sizes

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SBA Takes Extra Steps to Help Tornado Impacted Businesses

SACRAMENTO – Responding to the needs of Kiowa County businesses affected by the devastating tornado that hit Greensburg, Kansas, the U. S. Small Business Administration (SBA) today announced that it is taking two unusual steps to help meet the needs of businesses in obtaining low-interest disaster assistance loans.

First, recognizing that many Greensburg businesses have lost all of their financial records, the SBA has simplified its usual requirements to apply for a low-interest disaster loan. Specifically, for the tornado impacted businesses, SBA is waiving the need for a business to provide copies of the last three years tax returns. Instead, the business owner will simply sign a form allowing the SBA to access transcripts of their tax returns directly from the IRS. The SBA has also waived the requirement for the business to provide monthly sales figures for each of the last three years.

Second, Kansas Small Business Development Centers (KSBDC) from around the state are providing representatives at the Haviland Disaster Recovery Center (DRC) to assist business owners in recreating lost financial records and to provide free financial counseling. Counseling can be especially important to businesses in situations such as the Greensburg tornado.

SBA Customer Service Representatives are on-site to help disaster victims complete their disaster loan applications. The DRC is located at 100 East Elm Street in Haviland (Hockett Auditorium on the Barclay College campus) and is open from 9:00 am to 7:00 pm, Mondays through Sundays until further notice.

“Relaxing some of the loan application requirements will allow business owners to rebuild more quickly and lay the foundation for the revival of the community’s economy,” said SBA’s Kansas District Director, Elizabeth Auer. “In addition, we welcome the assistance of our partners from the KSBDCs, who will lighten the load on business owners by helping them recreate vital business records.”

SBA offers two types of disaster business loans to cover losses not fully compensated by insurance or other recoveries. Physical disaster loans (for property damage) are available to businesses of all sizes and to private, non-profit organizations to repair or replace real estate, machinery and equipment, inventory, and other business assets. Economic Injury Disaster Loans (EIDL) are available only to small businesses and are designed to provide working capital to sustain the business through the disaster recovery period until normal operations resume. EIDL assistance is available regardless of whether the business suffered any property damage. The lending limit for businesses is \$1.5 million and applies to any combination of physical damage and economic injury.

SBA also offers disaster loans of up to \$200,000 to homeowners to repair disaster damaged primary residences. And both homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture, clothing and vehicles.

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Interest rates can be as low as 2.875 percent for homeowners and renters and 4 percent for businesses. Loan terms can be up to 30 years.

Businesses may obtain disaster loan application packets by visiting the DRC or by calling SBA's Disaster Assistance Customer Service Center at **800-659-2955** between the hours of 5:00 am and 10:00 pm Central Time, 7 days a week. Although it is not necessary for businesses to register with FEMA, we recommend all disaster victims first register with FEMA by calling 800-621-3362. Business owners who want SBDC assistance in recreating their business records or getting financial counseling, but are unable to visit the DRC, may call KSBDC toll free at NetWork Kansas (877-521-8600) between 8:00 am and 6:00 pm Central Time, 7 days a week, to make other arrangements. They should clearly state that their call relates to disaster assistance.

The filing deadline to return applications for property damage is **July 5, 2007**. The EIDL deadline is **February 6, 2008**.

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

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