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 five California counties and one Nevada county 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 drought in Lassen County that began January 1, 2009, announced Alfred E. Judd, Director of SBA's Disaster Field Operations Center - West.

Primary California county: **Lassen**;

Neighboring California counties: **Modoc**, **Plumas**, **Shasta** and **Sierra**;

Neighboring Nevada county: **Washoe**.

"SBA eligibility covers both the economic impacts on businesses dependent on farmers and ranchers that have suffered agricultural production losses caused by the disaster and businesses directly impacted by the disaster," Judd said.

Small, non-farm businesses, small agricultural cooperatives and most private, non-profit organizations of any size may qualify for Economic Injury Disaster Loans (EIDLs) of up to $2 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 added.

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

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Service 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.

Information and application forms are available from SBA's Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov/services/disasterassistance. Hearing impaired individuals may call (800) 877-8339.

Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at https://disasterloan.sba.gov/ela.

The deadline to apply for these loans is **July 13, 2010**.

For more information, visit SBA's Web site at www.sba.gov/services/disasterassistance.

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