



DISASTER NEWS

Loans for Homeowners, Renters and Businesses of all Sizes

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PROMPT RETURN OF SBA APPLICATIONS SPEEDS AID

Required step to obtain assistance

HATO REY, Puerto Rico – Residents of Puerto Rico who have applied for disaster assistance and received loan applications from the U.S. Small Business Administration (SBA) are encouraged to complete and return the forms to SBA as soon as possible.

Many who register for assistance will receive an SBA loan application in the mail after calling FEMA's tele-registration line. Completion of the application is a required step in obtaining disaster assistance.

SBA is the primary source of long-term recovery assistance for homeowners, renters, non-farm businesses of all sizes, and private nonprofit organizations that had losses due to the disaster. Anyone with damage caused by Tropical Storm Jeanne should register first with FEMA by calling 1-800-621-FEMA, then complete and return the SBA loan application promptly.

“When an applicant is referred to the SBA, that part of the process needs to be completed before other aid options are considered,” said Federal Coordinating Officer Peter Martinasco.

“Completing an SBA application does not guarantee that an applicant will be approved for a loan, nor does it mean they must accept a loan.”

“Individuals who need help in completing their SBA application may visit the Disaster Recovery Centers located throughout the island to get personal assistance from SBA loan officers,” said SBA Disaster Area Director William E. Leggiero, Jr. Disaster Recovery Centers in Puerto Rico will be open as long as there is a need.

If the SBA determines that a homeowner or renter cannot afford a loan, SBA will automatically refer them to FEMA's Individuals and Households program. This program is available only to individuals and families, not businesses. It is intended to help meet essential needs not met by any other form of assistance, including SBA disaster loans. However, applicants must complete the SBA loan forms before they can be referred to the Individuals and Households program.

SBA low-interest disaster loans for uninsured or otherwise uncompensated losses are available to qualified renters, homeowners, landlords, businesses owners, and nonprofit organizations that suffered damage or loss due to the disaster. Interest rates can be as low as 3.187 percent for homeowners and renters and 2.900 percent for businesses. Loan terms can be up to 30 years. Actual loan amounts and terms are set by the SBA, and are based on each applicant's financial condition.

Disaster victims with insurance should not wait for a settlement before applying to SBA. If they do not know how much of their loss will be covered by insurance or other sources, SBA will consider making a loan for the full amount of a victim's loss -- up to its loan limits -- provided that the borrower agrees to use insurance proceeds to reduce the amount of their SBA loan.

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SBA also offers mitigation funds to disaster victims that have approved disaster loans. SBA mitigation funds are designed to help borrowers fund protective measures to prevent damages of the same kind from recurring in the future. To help fund these protective measures, borrowers may request an additional 20 percent of their approved loan amount.

Applicants who have questions about their SBA forms can visit a disaster recovery center, call SBA at 1-800-659-2955 or for the hearing-impaired 1-800-877-8339, or find information on SBA's website at www.sba.gov/disaster.

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

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SBA Disaster Assistance Office – Area 1—360 Rainbow Blvd. - South, Niagara Falls, N.Y. 14303