



DISASTER NEWS

Economic Injury Loans for Small Businesses

Release Date: October 4, 2007
Release Number: CA 11053-01

Contact: Rick Jenkins
Phone: (916) 735-1500

Disaster Assistance Available for Small Businesses

Sacramento, CA - Small, non-farm businesses in five **California** counties (plus neighboring counties in **Arizona**) may now apply for low-interest disaster loans from the U. S. Small Business Administration (SBA). These disaster loans offset economic losses because of reduced revenues caused by drought in **Riverside County** that occurred from January 1 through September 6, 2007, announced Alfred E. Judd, Director of SBA's Disaster Field Operations Center - West.

Small businesses in the following neighboring counties may also apply: the **California** counties of **Imperial, Orange, San Bernardino and San Diego**; and the **Arizona** county of **La Paz**.

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 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 .

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 **May 27, 2008**.

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

###

SBA Field Operations Center - West, P.O. Box 419004, Sacramento, CA 95841