

# True or False: Setting the Record Straight on SBA Loans and FEMA Assistance

---

The U.S. Small Business Administration (SBA) loan application holds many benefits for Hurricane Ida survivors who apply for FEMA disaster assistance.

**True or False:** I may be referred to the SBA after I apply with FEMA.

**True:** After you apply for disaster assistance from FEMA, you may be contacted by the SBA. If you are asked to submit an application for a low-interest SBA loan, you are encouraged to do so. Applying with the SBA assures that all available disaster assistance options remain open to you.

**True or False:** The SBA application may be the basis of referrals to other grant programs.

**True:** Submitting the application makes it possible for you to be considered for additional grants. If you apply for an SBA low-interest disaster loan and are not eligible, this may open the door to additional assistance from FEMA.

If SBA denies the loan application, you may be eligible for additional FEMA grant assistance to replace essential household items; replace or repair a damaged vehicle; cover storage expenses or meet other disaster-related needs.

**True or False:** I must accept an SBA loan if I am approved.

**False:** If SBA determines you are eligible for a loan, you do not have to accept it. However, if you do qualify for an SBA loan and you choose not to accept it, additional resources may not be available to you for disaster recovery.

**True or False:** I must choose between a FEMA Individual Assistance grant or an SBA loan.

**False:** Qualifying for an SBA loan does not mean you are suddenly ineligible for FEMA assistance. There are several important reasons to complete and submit an SBA application, even if you think you don't currently need a loan.

For example, you may discover that you were underinsured for the amount of work required to repair or replace your home. An SBA low-interest disaster loan may bridge the gap between your recovery costs and the settlement amount.

**True or False:** SBA loans are only meant for businesses.

**False:** SBA offers loans for homeowners up to \$200,000 to repair or replace your primary residence. The loans are customized to your personal financial circumstances. On a case-by-case basis, the SBA may be able to assist with the refinance of your current mortgage(s).



**FEMA**



SBA can help renters and homeowners replace household contents (e.g., clothing, furniture and appliances) and vehicles, referred to as personal property. Homeowners and renters are eligible for up to \$40,000 to repair or replace damaged or destroyed personal property.

**True or False:** SBA loans are available for businesses and nonprofits of any size.

**True:** Businesses of all sizes and private nonprofit organizations may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory and other business assets. SBA can also lend additional funds to businesses and homeowners to help with the cost of improvements to protect, prevent or minimize the same type of disaster damage from occurring in the future.

For small businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private nonprofit organizations of any size, SBA offers Economic Injury Disaster Loans to help meet working capital needs caused by the disaster. Economic injury assistance is available to businesses regardless of any property damage.

**True or False:** There is a deadline to apply for an SBA low-interest loan.

**True:** The deadline to file applications for property damage is Oct. 28, 2021. The deadline to return economic injury applications is May 31, 2022.

The SBA has established a Virtual Disaster Loan Outreach Center that is open Monday through Friday, 7 a.m. to 7 p.m. Survivors can contact an SBA customer service representative via email at [FOCWAssistance@sba.gov](mailto:FOCWAssistance@sba.gov) or by phone at 800-659-2955. Survivors can apply online at <https://disasterloanassistance.sba.gov>.

For the latest information visit [fema.gov/disaster/4611](https://fema.gov/disaster/4611). Follow the FEMA Region 6 Twitter account at [twitter.com/FEMARegion6](https://twitter.com/FEMARegion6) or on Facebook at [facebook.com/FEMARegion6/](https://facebook.com/FEMARegion6/).