

SBA Disaster Loans

The SBA offers loans to businesses that have suffered from natural disasters. Typically, the SBA makes these comparatively low-cost loans available to replace or repair damaged property and offset economic losses in the wake of disasters.

If a natural disaster affects your business, you may be entitled to up to \$2 million in relief to repair real estate, equipment, inventory and other fixtures. Loans can be issued of up to 20 percent more than the total loss if the funds are used to protect property against similar damages in the future.

Up to \$2 million may also be available to businesses that lose revenue and are unable to meet financial obligations they would have otherwise been able to pay if the natural disaster did not occur.

In the event of a disaster, the SBA assesses damages to determine whether businesses are eligible for compensation under the Disaster Loans program. Interest rates won't exceed 4 percent for businesses that don't have credit elsewhere, or 8 percent for businesses that do. Repayment terms can extend to 30 years, depending on the finances of the business.