



U.S. Small Business Administration

DISASTER NEWS

Economic Injury Loans for Small Businesses

SBA Disaster Assistance – Field Operations Center- East – 101 Marietta Street, NW, Suite 700, Atlanta, GA 30303

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Ohio Businesses Affected by Toxic Algae Bloom Can Apply for SBA Disaster Loans

WASHINGTON – Low-interest disaster loans are available in Ohio to small businesses, small agricultural cooperatives and most private non-profit organizations that were affected by the toxic algae bloom in Grand Lake St. Marys that began on June 21, 2010.

SBA Administrator Karen Mills made the loans available following a request from Ohio Gov. Ted Strickland on Oct. 15 for a disaster declaration by the SBA. The declaration covers Auglaize and Mercer counties and the adjacent counties of Allen, Darke, Hardin, Logan, Shelby and Van Wert in Ohio; Adams and Jay in Indiana.

“The Small Business Administration is strongly committed to providing the most effective and customer-focused response possible to help small businesses and non-profits in Ohio with their federal disaster loans,” said Mills. “Getting our businesses and communities up and running after a disaster is our highest priority at SBA.”

“The SBA can help affected small businesses and non-profit organizations overcome their economic losses by offering working capital loans, but the help cannot start until they submit an SBA Disaster Loan application to us,” said Thomas Mueller, SBA’s Ohio district director.

Eligible entities may qualify for loans up to \$2 million. The SBA offers Economic Injury Disaster Loans (EIDLs) to help meet working capital needs caused by the disaster. The rates on these loans are 3 percent for non-profit organizations and 4 percent for businesses with terms up to 30 years. The SBA determines eligibility for the loans based on the size and type of business and its financial resources. Loan amounts and terms are set by the SBA and are based on each applicant’s financial condition.

To obtain applications and program information call the SBA’s Customer Service Center at 800-659-2955 (800-877-8339 for people with speech or hearing disabilities), Monday through Friday from 8 a.m. to 6 p.m. EDT or send an e-mail to disastercustomerservice@sba.gov. Business loan applications can also be downloaded from the SBA website at www.sba.gov. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

Those affected may apply for disaster loans from SBA’s secure website at <https://disasterloan.sba.gov/ela/>.

The deadline to return economic injury applications is **July 19, 2011**.

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For more information about the SBA’s Disaster Loan Programs, visit our website at www.sba.gov.



**U. S. SMALL BUSINESS ADMINISTRATION (SBA)
FACT SHEET
ECONOMIC INJURY DISASTER LOANS**

SBA DISASTER DECLARATION DUE TO THE GOVERNOR'S CERTIFICATION OF ECONOMIC INJURY

STATE: **OHIO #12359**
(Disaster # OH-00025)

COUNTIES: **Auglaize and Mercer and contiguous counties of Allen, Darke, Hardin, Logan, Shelby and Van Wert in the State of OH;**

Contiguous IN: **contiguous counties of Adams and Jay.**

INCIDENT AND DATE: **Toxic Algae Bloom in Grand Lake St. Marys
Occurred June 21, 2010 and continuing**

APPLICATION DEADLINE: **July 19, 2011**

Type of Disaster Loan:

- Economic Injury Disaster Loans (EIDLs) – are working capital loans to help small businesses, small agricultural cooperatives and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration (SBA).

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDLs over \$5,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

Interest Rates:

- Business and Small Agricultural Cooperatives Without Credit Available Elsewhere: 4.000%
- Non-Profit Organizations Without Credit Available Elsewhere: 3.000%

Loan Terms:

- The law authorizes loan terms up to a maximum of 30 years.
- SBA determines the term of each loan in accordance with the borrower's ability to repay. Based on the financial circumstances of each borrower, SBA determines an appropriate installment payment amount, which in turn determines the actual term.

Loan Amount Limit:

- Economic Injury Disaster Loans (EIDL) – The law limits EIDL(s) to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

Loan Eligibility Restrictions:

- Noncompliance: Applicants who have not complied with the terms of previous loans are not eligible. This includes prior borrowers who did not maintain required flood insurance.

Insurance Requirements:

- To protect each borrower and the Agency, SBA requires borrowers to obtain and maintain appropriate insurance. Borrowers of all secured loans (over \$5,000) must purchase and maintain hazard insurance for the life of the loan on the collateral property. By law, borrowers whose collateral property is located in a special flood hazard area must also purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

For more information, contact SBA Disaster Assistance Customer Service Center at
(800) 659-2955 or disastercustomerservice@sba.gov
www.sba.gov/services/disasterassistance