



Loans



Business



People

# SBA disaster assistance

October 18, 2017

The U. S. Small Business Administration (SBA) provides low-interest, long term disaster loans to businesses of all sizes, private not for profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property and to cover financial loss. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

## Who is eligible

Any business of any size, having a good standing with Internal Revenue Service and Puerto Rico Department of Treasury (PRTD), homeowners, self-employed, not for profit organizations (including schools, churches, condominium associations), individuals, renters, and others that incurred a loss related to disasters.

## Facts

- all applicants need to demonstrate ability to pay
- as a business of any size, you may borrow up to \$2 million for property damage
- as a small business, you may apply for a maximum business loan (property and Economic Injury Disaster Loan) of \$2 million
- as a homeowner, you may borrow up to \$200,000 to repair/replace your disaster damaged primary residence.
- as a homeowner or renter, you may borrow up to \$40,000 to repair/replace damaged personal property
- the application could be filed simultaneously with the insurance
- SBA loan will cover any damage not covered by the insurance or not insured

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Articles** on:

[www.grantthornton.pr](http://www.grantthornton.pr)

## Required documentation

The following documents are required to process your application and reach a loan decision. An SBA Loan officer and Case manager will assist you to ensure that you submit the proper documentation. Approval decision and disbursement of loan funds is dependent on receipt of your documentation.

Analysis of last three years' tax returns. SBA will request tax returns on your behalf from PRTD and from IRS if applicable.

## Businesses

- Complete Business loan application (SBA Form 5) completed and signed by business applicant
- IRS Form 4506-T completed and signed by applicant business, and by each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business. Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management.
- Complete copies, including all schedules, of the most recent Federal and Puerto Rico income tax returns for the applicant business; an explanation if not available.
- Personal Financial Statement (SBA Form 413) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, each general partner or managing member
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used).

### **Additional information that may be necessary to process your application**

- if the most recent Federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year
- a current year-to-date profit and loss statement
- additional Filing Requirements (SBA Form 1368) providing monthly sales figures.

## Homeowners and renters

Homeowners and renters should contact FEMA and apply for assistance before contacting the Small Business Administration.

- homeowners need to complete Home Loan Application (SBS Form 5c) completed and signed by Applicant and Co-Applicant
- IRS Form 4506-T completed and signed by Applicant and Co-Applicant

### **When to file**

Due date to apply for **physical damage**, please contact SBA.

- up to \$2,000,000, certain exceptions apply
- loss of more than 40% could refinance property loan
- no legal expenses, no credit report, no costs related to the loan
- 20% of the amount requested for physical damage could be requested to mitigate future damages
- term up to 30 years
- one year to begin to pay once approved

Due date to apply for **economic injury**, please contact SBA.

- up to \$2,000,000
- term up to 30 years, certain exceptions apply
- one year to begin to pay once approved

### **Interest applicable**

- home loans – 1.75%
- business loans – 3.305% – 6.6%
- Collateral required - Loans over \$25,000

### Interaction with FEMA

- businesses do not have to apply with FEMA
- home loans need to apply with FEMA first
- mixed use of properties: Home FEMA and business SBA. Be careful with SBA, case could be closed if not detailed properly

### Actual SBA loans

- One year to pay after written request

### Ways to apply for loan

1. Online – <https://disasterloan.sba.gov/ela> or [www.disasterassistance.gov](http://www.disasterassistance.gov)
2. In person at a Disaster Center (1st floor Scotiabank Building in Hato Rey, Colegio de Ingenieros and Baramaya Area in Ponce)
3. By mail – Call 1-800-621-3362 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

Please contact us should additional information is required regarding this or any other matter. We will be glad to assist you.

### Contact:



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