



MEMA



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FEMA

Disaster News

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Homeowners Urged To Return Applications For SBA Disaster Loans

More than 2,707 forms distributed to tornado survivors; only 14 percent returned.

Clinton, Miss. – U.S. Small Business Administration officials have heard it all when it comes to homeowners who tell them why they aren't going to apply for a low-interest disaster loan.

That's why it is not surprising to hear only 369 of the 2,707 registered homeowners and renters who suffered damages in April's tornados who have been issued SBA applications for low-interest disaster home loans have returned the forms to the SBA.

"Even though the SBA has approved more than \$5 million in low-interest disaster loans and 92 percent of that has gone to residents, some homeowners and renters have misconceptions preventing them from applying," said Matthew Young, SBA public affairs specialist.

What Young has heard and his responses are:

- *"I want a grant, not a loan."*

The average FEMA grant is approximately \$4,638, and the average SBA disaster home loan is more than \$53,000 indicating many applicants have significant damage.

- *"I don't need it, because I have insurance."*

By the time people realize that their homeowner's insurance policy won't cover everything, it may be too late to apply to the SBA for help.

- *"You're the Small Business Administration. I own a home, not a business."*

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People think that because the word “Business” is in the agency’s name, that the SBA doesn’t help homeowners, but that just isn’t true. SBA is a federal agency chartered by Congress to not only help businesses, but also to help homeowners repair or replace their disaster-damaged or destroyed homes and personal property.

More than 6,900 area residents have registered for Federal Emergency Management Agency assistance since the April tornados and storms ravaged large areas of Mississippi.

“The deadline for tornado damage registration is June 28,” Young said. “After that, we can’t do anything more to help. If a homeowner fills out the application, they are under no obligation to accept the loan, but they need to fill out and return the application to complete the process.”

Homeowners may apply for an SBA disaster loan for losses not covered by insurance. Loans may be for up to \$200,000 to repair or replace a primary residence to its pre-disaster condition and up to \$40,000 to replace damaged personal property.

The interest rate for an SBA disaster home loan can be as low as 2.563 percent, which is typically a much lower rate than a home equity loan or credit card loan. Also, SBA loans have repayment terms that may be offered for up to 30 years and may be offered without a requirement of collateral.

“Homeowners and renters unable to obtain a disaster loan from the SBA may be referred to FEMA for additional grant consideration,” Young said.

For additional assistance, homeowners, renters and businesses can 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 7 a.m. until 5 p.m., and Saturday from 8 a.m. to 4:30 p.m. CT or send an e-mail to disastercustomerservice@sba.gov. Loan application forms can be downloaded from the SBA website at www.sba.gov.

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FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.

Disaster recovery assistance is available without regard to race, color, religion, nationality, sex, age, disability, English proficiency or economic status. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY call 800-462-7585.

FEMA's temporary housing assistance and grants for public transportation expenses, medical and dental expenses, and funeral and burial expenses do not require individuals to apply for an SBA loan. However, applicants who receive SBA loan applications must submit them to SBA loan officers to be eligible for assistance that covers personal property, vehicle repair or replacement, and moving and storage expenses.

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