

SBA Disaster Assistance Loans for Homeowners and Renters

If you are in a declared disaster area and you are a disaster survivor, you may be eligible for a disaster assistance loan from the U.S. Small Business Administration (SBA). You may qualify for SBA assistance even if you don't own a business. The SBA provides loans to homeowners and renters to repair or replace disaster-damaged real estate or personal property. Renters are eligible for their personal property losses, including automobiles.



Renters and homeowners may borrow up to \$40,000 to replace clothing, furniture, cars, appliances, or other important personal property damaged or destroyed in the disaster. Homeowners may qualify for up to \$200,000 to repair or replace their primary residence to its pre-disaster condition, and to perform any necessary upgrades as required by law.

The SBA determines the amount of the loan that will be awarded, and can look at part of the loan to cover a property owner's plans for home improvements that would reduce the risk of future disaster damage. Secondary homes and vacation homes are not eligible for these loans. Some qualified rental properties might be eligible for an SBA business loan.

The terms of the loan are determined on a case by case basis. If the SBA determines that an applicant does not have other credit options, the interest rate will not exceed 4%. For others, the rate will not exceed 8%. Applicants who are denied an SBA loan may be eligible for further assistance from FEMA, depending upon the circumstances.

The SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40% or more of the value of the property), and (3) intends to repair the damage. Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.

If a person qualified for FEMA disaster assistance in a previous disaster and lives in a high-risk flood area, then they must already have flood insurance on their property in order to qualify for future SBA loan assistance.

How do I apply for an SBA loan?

1. Register with FEMA at www.DisasterAssistance.gov or 1-800-621-3362 (FEMA). Even though the FEMA registration deadline for Hurricane Ida expired on January 5, 2022, you may be able to submit a late application if you have a good reason for waiting.
2. Apply to SBA online at <https://disasterloan.sba.gov/ela>.
3. Contact the SBA Customer Service Center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or email disaster-customerservice@sba.gov.

If you have a legal question about FEMA assistance, contact
Legal Services of New Jersey's statewide, toll-free Hotline online at www.lsnjlawhotline.org.
You will receive a response within two business days.