



U.S. SMALL BUSINESS ADMINISTRATION

FACT SHEET FOR ECONOMIC INJURY DISASTER LOANS

(SBA DISASTER DECLARATION DUE TO DESIGNATION BY THE SECRETARY OF AGRICULTURE)

Primary State: Nevada

Declaration: 13133

Disaster: NV-00017

Incident: Drought

Incident Period: February 7, 2012 & continuing

Application Filing Deadline: March 12, 2013

Primary counties: Carson City, Churchill, Clark, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe & White Pine

Contiguous counties:

State: AZ Mohave

State: CA Alpine, El Dorado, Inyo, Lassen, Modoc, Mono, Nevada, Placer, San Bernardino & Sierra

State: ID Cassia, Owyhee & Twin Falls

State: OR Harney, Lake & Malheur

State: UT Beaver, Box Elder, Iron, Juab, Millard, Tooele & Washington

Disaster Loan Assistance Available:

Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, 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 – SBA economic injury assistance is in the form of loans. 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:

The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 4 percent.

Loan Terms:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

Loan Amount Limit:

The law limits EIDLs 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:

- The applicant business must be located in the declared disaster area.
- Only uninsured or otherwise uncompensated disaster losses are eligible.
- The economic injury must have been the direct result of the declared disaster.
- Nurseries are only eligible for economic injury caused by declared drought disasters.
- Small businesses engaged in aquaculture are eligible.
- By law, agricultural enterprises such as farmers and ranchers are not eligible for any type of SBA assistance.
- Applicants who have not complied with the terms of previous SBA loans are not eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA or Federally insured loans.
- Loan assistance is available only to the extent the business and its owners cannot meet necessary financial obligations due to the disaster. This determination is made by SBA.

Refinancing:

Economic injury disaster loans cannot be used to refinance long term debts.

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.

Completing the SBA Loan Application:

The application asks for the same information about the business and its principal owners that are generally required for a bank loan. If you need help, SBA personnel will explain the forms and give you assistance at no charge. You may use the services of accountants, attorneys, or other representatives at your own expense, if you wish. Use of a representative and the fees they charged must be listed on your loan application.

For more information, contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.