



DISASTER NEWS

Economic Injury Loans for Small Businesses

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Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in five Texas counties are eligible to apply for low-interest disaster loans from the U. S. Small Business Administration (SBA). “These loans offset economic losses because of reduced revenues caused by a drought that occurred in Starr County beginning January 1, 2008,” announced Alfred E. Judd, Director of SBA’s Disaster Field Operations Center - West.

Small businesses in the following primary and neighboring counties may apply for working capital loans to offset economic losses that are attributable to the disasters.

Primary **Texas** County: Starr;

Neighboring **Texas** Counties: Brooks, Hidalgo, Jim Hogg and Zapata

Small businesses and most private, non-profit organizations of any size may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. “Eligibility for these loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4%, a maximum term of 30 years, and are available to small businesses and most private, non-profits without the financial ability to offset the adverse impact without hardship,” Judd said.

By law, SBA makes EIDLs available when the U.S. Secretary of Agriculture designates an agricultural disaster. Secretary Ed Schafer declared these disasters at the request of Governor Rick Perry.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary’s declaration. However, in drought disasters nurseries are eligible for SBA disaster assistance.

Information and application forms are available from SBA’s Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA’s Web site at www.sba.gov/services/disasterassistance. Hearing impaired individuals 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>.

The deadline to apply is **August 31, 2009**.

For more information visit SBA’s Web site at www.sba.gov/services/disasterassistance.

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